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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2097



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CZECHOSLOVAKIA

BRIEFS

ELECTRICAL EQUIPMENT EXPORTS--The MEZ [Moravian Electrical Works] in Mohelnice has concluded negotiations for the sale of DPCP-80-4 electrical motors to the Philco Company in Italy. The delivery of these motors for washing machines will start at the beginning of the second quarter of 1981. The works will produce about 270,000 of the motors in 1981, worth Kcs 120 million. Since January 1981, the MEZ in Brumov has delivered 13 railroad carloads of DG 321 welding machines to Iraq, and several DG 321 and RK 320 welding machines have been shipped to Bulgaria. [Prague PRACE in Czech 29 Jan 81 p 3]

CSO: 2400

DEPUTY MINISTER INTERVIEWED ON PRESENT, FUTURE UTILIZATION OF COAL

Budapest MAGYAR HIRLAP in Hungarian 16 Nov 80 p 5

[Interview with Dr Laszlo Kapolyi, deputy minister of heavy industry by Jozsef Fahidy, MAGYAR HIRLAP staff writer: "Coal—Today and Tomorrow"]

[Text] Dr Laszlo Kapolyi was born in 1932. By training, he is a general [civil] engineer, mining engineer, and economist. He has worked at the Tatabanya Coal Mines from 1953 to 1976, first at producing mine units, later in various management positions and finally as chief development engineer. He has been deputy minister of heavy industry since 1976. In 1968 he became a Candidate of Technical Sciences, in 1975 Doctor of Technical Sciences, since 1976 he has been Professor [Magantanar] at the Krakow Mining and Metallurgical Academy, and since 1978 [he has been] a titled Professor of the Eotvos Lorand Science University. In 1975 he was elected Corresponding Member of the Hungarian Academy of Sciences.

At the fall session of the National Assembly, during the discussion of the government's labor program, Janos Kadar, the first secretary of the MSzMP Central Committee, said: "Energy utilization has been better in the last year and a half than before. Earlier, the country's energy consumption increased by 6 percent annually but in the last year and a half—partly because of a decreased pace and partly because of a more thrifty energy management—energy consumption has not increased. In the future, further energy conservation must be pursued." Today, we know that mineral mining, under the management of the Ministry of Heavy Industry, closed the present 5-year plan cycle with a 5 percent overfulfillment of the plan.

[Question] What does this mean for coal mining? We know that coal is one of our most important energy carriers?

[Answer] For coal mining this overfulfillment means an extra 5 million tons of produced coal. I hardly need to emphasize the significance of this fact since, with the epoch of change in the world economy, the potentials of domestic mineral resource production has significantly increased because this [overproduction]

directly and effectively improves the country's economic balance. But the increased production of mineral raw materials (to relieve partially the ever-costlier imports and to improve the economic balance) is sensible only if geological research, production, processing, and the related utilization procedures are all of a high technical level.

[Question] One of the special tasks of the Fifth Five-Year Plan was to accelerate geological research. What kind of results were achieved?

[Answer] We improved the machine park of geological research and the supply of geophysical instruments. As a result, larger-than-projected mineral resources have been discovered. For example, we found 200 million tons of hard coal, 200 million tons of brown coal, 90 million tons of lignite, 20 million tons of bauxite and more than 30 million tons of hydrocarbons.

[Question] How has our coal production fared in the last few years?

[Answer] In the Fifth Five-Year Plan period, 25-25.5 million tons of coal were produced annually. During this time the ratio of surface-mined coal increased by 30 percent. The great majority of this [coal] came from the very modern Thorez Surface Mine at Visonta. Here they are using world standard continuous production bulldozers and conveyor belts. Modern planning assures 360 days' use per year of the costly machines. As a result of the modern technology and good labor organization, the cost of surface mining is so favorable that the Gagarin power plant fueled by this lignite can provide the cheapest electrical energy in the country. Surface mining uses valuable agricultural land. We can consider it internationally significant that the production area can be restored to [agricultural] productivity in only 2 years after the cessation of mining operations with the developed reclamation methods.

[Question] We have also moved ahead in the sub-surface coal production. Production per shaft has increased by 10 percent. Can we be satisfied with this?

[Answer] I think so. Today, a mine produces an average of 400,000 tons of coal per year. At drift coal mining sites, it is ever more common to see completely mechanized face mining--they make up 50 percent of the sub-surface coal production. In this plan period, the Borsod County Lyuko Mine became a 1-million ton per year mine. We are developing all the technological processes in a coordinated fashion. A few weeks ago, we installed the continent's first pneumatic mine transport system in this mine so that the investment will pay for itself within a year. They also had significant results in the development of face stripping. Today, one-third of the faces are extracted by high-capacity combines. Most of the stacking is mechanized and work, on the whole, has become safer. The advantages of comprehensive technological development is shown by the fact that we worked even the slanted shafts of the new mines at Markushegy and Nagyegyhaz at a rate of 100-meter per month which is remarkable even by international standards.

Characteristic of the development labor servicing methods is the dispersion of conveyor belt and suspended rail transport of material and personnel. Today half

of the coal that is mined underground reaches the surface by conveyor belt. Between 1976 and 1980, containerized suspension rail transport facilities was installed in 25 km of shafts thus the extent of the mechanized material and personnel transport system now approaches 50 km. In 18 mines this year many of the service activities are being directed by automated equipment. In the S-II mine at Varpalota, we started computerized production. As the result of technical progress, live labor productivity in coal mining has improved by 10 percent in the last 5 years and today has reached 550 tons per worker. This made it possible for 10,000 fewer personnel to carry out the increased production tasks.

[Question] Mining is not only difficult but a dangerous job. What kind of results have been achieved in job safety?

[Answer] We have made great efforts to improve safety and working conditions in every branch of mining. The geophysical measures taken to reveal the geological conditions of the sites, the steps taken to automate equipment to improve fire and gas protection, new flood protection measures, the introduction of new hydraulic equipment for better prevention of cave-ins serve this goal. The result is that accidents this year have decreased by 15 percent.

[Question] What kind of tasks await coal miners in the years ahead?

[Answer] Based on the results of the Fifth Five-Year Plan, we see possibilities for further progress in the Sixth Five-Year Plan period. Long-term research and development will determine the efforts to exploit our energy-carriers and other mineral resources on a large scale. It is necessary to increase mechanization of coal mining to eliminate our relative backwardness. The minimum annual production goal of coal mining is 25.5-26.0 million tons.

The establishment of new modern mines with up-to-date technology is a priority in the ecocene program. The primary goal of coal mining is to meet as nearly as possible the total qualitative and quantitative demands of the coal users. The structural changes of energy consumption and the already foreseeable trends primarily indicate that the demands of the population and industry are growing for above-average quality coal. Thus, one of the most important elements of our development policy is to open as soon as possible the new good quality coal mines west of the Danube. On the surface, we are utilizing enrichment-purifying methods that produces a product that is of higher quality than before. The most modern coal processing plant is already under construction at Tatabanya and will soon be placed into service. Another coal-processing plant is also projected for the Sixth Five-Year Plan period in Borsod County. The significant goal of the Mecsek [coal mine] development is the general reconstruction and enlargement of the coal-processing plant to increase the production of coking coals. Within the framework of integrated energy strategy, we are striving to use part of the oil and natural gas presently used for heat production to generate power. Thus, natural gas would reach other, more selective consumers whereby the ratio of white products in oil refining could be increased.

One of the main goals of the energy management program of the Sixth Five-Year Plan is to reduce oil consumption for energy production. Financial resources are

available for this purpose. We are earmarking several billion forints for energy rationalization--partly from state, partly from enterprise resources. The credit system serving this purpose gives preferences to those attempts where particularly coal but also agricultural wastes and geothermal energy are economically utilized for heating rather than oil products. The loan system only provides a framework for these opportunities but even so, it is of fundamental importance that the enterprises and institutions live within their means.

10,101

CSO: 2500

COMMUNIQUE ON 5-YEAR PLAN FULFILLMENT

AU031200 Bucharest SCINTEIA in Romanian 30 Jan 81 pp 1-3

["Communique on Fulfillment of the 1976-80 Single National Plan of Socioeconomic Development of the Socialist Republic of Romania"]

[Text] During the 1976-80 5-year plan period the Socialist Republic of Romania successfully travelled a particularly important stage in implementing the program on building the comprehensively developed socialist society and advancing toward communism, by accomplishing the objectives and targets of the 11th RCP Congress. The great successes attained in developing industry, agriculture, science and culture--the culmination of years of heroic work by the working class, peasantry and intelligentsia, by all working people, regardless of nationality--wonderfully reflect the creative force of all our people and their determination to implement the great targets of the RCP's scientific policy.

The rapid socioeconomic development recorded in our country during this period attests to the fact that our party is honorably fulfilling its historic role as leading political force of the entire nation by creatively applying the principles of scientific socialism to the specific conditions prevailing in Romania and channelling the people's efforts in a single direction: that of continuously developing our socialist society. The party secretary general and president of the republic, Comrade Nicolae Ceausescu, has special merit in guiding the development of our national economy and the entire society in the current international complex conditions; he has made and continues to make an essential contribution to establishing our programs and economic policy, as well as all policies concerning socialist construction, to directly leading the party and state and the entire socioeconomic life, to solving problems decisive for our unwavering advance along the path of well-being and civilization, socialism and communism.

Production forces developed markedly during this period throughout the country; the technical-material base of the society was consolidated, and the process of production modernization picked up momentum in all the branches of the national economy. Achievements in increasing material production and economic efficiency permitted an uninterrupted increase in the national wealth and income and in raising the people's material and intellectual standards, profound changes throughout the society, and further consolidation of socialist Romania's economic and political strength, and of its national sovereignty and independence.

The successes attained in socioeconomic development are reflected in the growth of principal indexes:

| | <u>1980 Achievements</u> | <u>1980 in Percentage Compared to 1979 1975</u> | | <u>1976-80 Average Annual Rate in Percentages</u> |
|---|------------------------------|---|----------|---|
| Net industrial production --billion lei | 303.0 | 108.6 | 162.0 | 10.1 |
| Overall industrial production --billion lei | 936.0 | 106.5 | 157.4 | 9.5 |
| Overall agricultural production (1976-80 average annual rate) --billion lei | 128.2 | 95.0 | 126.4(1) | 4.8 |
| Total volume of domestic goods transportation--billion tons/km | 94.9 | 100.3 | 120.0 | 3.7 |
| Total volume of investments in the national economy (1976-80)--billion lei | 932.3 | 103.1 | 167.5(1) | 10.9 |
| Total foreign trade volume --billion lei | 340.3 | 123.2 | 214.1 | 16.5 |
| Retail sales through socialist trade units--billion lei | 213.1 | 106.4 | 146.2 | 8 |
| Public services --billion lei | 42.6 | 103.5 | 128.2 | 5.1 |
| Average number of working personnel --thousands | 7,340 | 102.2 | 116.5 | 3.1 |
| Production costs for 1,000 lei commodity output in national industry--lei | 796.7 | 98.7 | 93.7 | |
| Labor productivity per worker: | | | | |
| --In national industry --thousand lei | 320.9 | 104.2 | 140.4 | 7.0 |
| --In construction-assembly --thousand lei | 133.5 | 111.4 | 145.8 | 7.8 |
| --In railroad transport --thousand tons/km | 589.3 | 99.4 | 113.6 | 2.6 |

(1) Compared to the 1971-75 period

| | 1980 <u>Achievements</u> | 1980 in Percentage Compared to | | 1976-80 Average Annual Rate in <u>Percentages</u> |
|---|-----------------------------|--------------------------------------|-------|---|
| | | 1979 | 1975 | |
| Social product --billion lei | 1,275.2 | 102.9 | 139.6 | 6.9 |
| National income --billion lei | 516.4 | 102.5 | 141.5 | 7.2 |
| Dynamics of real remuneration | | 102.5 | 129 | 5.2 |
| Dynamics of the overall real incomes of the population | | 102.6 | 134 | 5.9 |
| Socio-cultural expenditures from the state budget --billion lei | 70.9 | 108.2 | 139.3 | 6.9 |

During the 1976-80 5-year plan period the salient feature of the Romanian economy was the transition from extensive to intensive development, to emphasizing qualitative aspects and increasing efficiency in all areas. As a result of consistent implementation of the party's policy of socialist industrialization of the country, industry developed rapidly; the process of modernization of the production structure was accelerated, and the degree of utilization of material resources increased. As a consequence of the application of the new economic-financial mechanism and of efforts to raise economic efficiency and reduce material expenditures, the value of the net production increased at a 10.1 percent average annual rate, that is at a higher rate than the overall production, which was 9.5 percent.

Agriculture--one of the basic branches of the economy--developed greatly, thus supplying agricultural produce and foodstuffs for the working people, raw materials for industry, and covering requirements in other branches of the national economy.

A vast program of investments was implemented as a result of the allocation of about 1/3 of the national income to socioeconomic development. New and important production facilities were put into operation, and, as a consequence, fixed assets in the national economy increased from 1,203,000,000 lei in 1975 to 1,870,000,000 lei in 1980. Over 1 million new jobs were created on this basis, of which more than 500,000 were in industry.

An important role was played during the 5-year plan by science and scientific research, which have substantially increased their contribution to resolving important problems in the national economy, thus permitting better capitalization on Romanian technical potential.

The utilization of new installations and equipment in the economy, the modernization of production processes, better utilization of production facilities and improvements in the qualification and specialization of working personnel brought

about steady increase in labor productivity, reduction of production costs, and enhanced production efficiency and profitability. The country's finances were consolidated and the stability of the national currency was ensured.

The not worthy achievements recorded in the development of the national economy contributed to expanding and diversifying foreign economic exchanges and to intensifying economic cooperation, including production sharing, with other countries, as well as to increasing our country's participation in the international economic flow. The rate of growth of foreign trade exceeded the rate of growth of industrial and agricultural production.

As a result of the continuous development of material production, national income per capita was 35 percent higher in 1980 than in 1975. Thus, conditions were created for implementing the program on continuously raising the people's material and intellectual well-being. The most marked increases in the living standard of the entire socialist period in our country were recorded during the 1976-80 5-year plan. People's earned incomes, as well as those derived from social funds increased substantially, and the initial provisions of the 1976-80 5-year plan were exceeded. Consumer sales and services increased and diversified; public supplies improved, and consumption of principal staples increased. Similarly, a vast housing program was implemented, and the country's localities were modernized. The material base of education, culture, art, health and sports developed, thus contributing to raising the level of culture and civilization of the masses and to enriching the intellectual life of the people.

On the basis of the 11th Party Congress program, measures were taken to continuously improve the leadership, organization and planning of the entire national economy. The measures adopted at the 1977 party national conference and at the RCP Central Committee plenary session of March 1978 on effecting a transition from quantity to quality, on introducing the new economic-financial mechanism, strengthening workers' self-management, self-administration and self-financing of economic activities, and on enhancing the functions and responsibilities of economic and social-cultural units and of local state bodies--a forceful expression of workers' democracy and of socialist democracy in general in our country--ensured a particularly favorable framework for mobilizing the creative energies of our entire nation in the struggle to attain the basic targets of the party program.

The successes attained in our national economy during the 1976-80 5-year plan were made possible despite difficulties which influenced the development of certain sectors. Thus, special efforts were required to eliminate the consequences of the devastating earthquake which occurred in the spring of 1977 and which greatly affected production and inflicted great economic damage on our society. Similarly, unfavorable climate conditions in past years, especially 1980, took their toll on agricultural production. During the same period, the international economic crisis deepened, especially the energy and raw materials crisis; the price of raw materials increased substantially, particularly the price of oil, and that influenced our national economy, too, as it required considerable efforts to permit the country's development at the rate established.

Similarly, there have been shortcomings and failings in economic activities in various sectors; had those been avoided, the results attained in the country's socioeconomic development would have been even greater.

Despite the difficulties encountered, our economy greatly advanced, thus demonstrating the force, vitality and superiority of the socialist system, the correctness of the party policy and its capability of uniting all the creative forces of the nation, the enthusiasm, energy and devotion with which all our people are implementing the program on building the comprehensively developed socialist society and on the fatherland's advance toward communism.

I. Industry

The 1976-80 5-year plan provisions for industrial production were fulfilled and exceeded, and all branches developed considerably. Industry made an increased contribution both to promoting technological progress in all branches of the national economy, and to expanding and diversifying cooperation and economic exchanges with other countries. Industrial production in 1980 made up more than 80 percent of the entire 1956-65 production. The increase in production between 1980 and 1975 alone was approximately equal to the production of the entire 1956-60 5-year plan.

The rate of growth of the overall 5-year plan production in the chief branches of industry is reflected in the following figures:

| | 1980 Compared to 1975 | In Percentages Average Annual Rate 1976-80 |
|---------------------------------------|--------------------------|--|
| Industry-overall | 157.4 | 9.5 |
| Electrical and thermal energy | 125.7 | 4.7 |
| Fuel | 120.9 | 3.9 |
| Ferrous metallurgy | 153.1 | 8.9 |
| Nonferrous metallurgy | 132.5 | 5.8 |
| Machine-building and metal processing | 181.1 | 12.6 |
| Chemical industry | 158.3 | 9.6 |
| Construction materials | 184.6 | 13.0 |
| Timber exploitation and processing | 135.5 | 6.3 |
| Light industry | 159.7 | 9.8 |
| Food industry | 133.9 | 6.0 |

A rapid rate of development was recorded in the metallurgical, machine-building and chemical industries; the share of those branches in industrial production increased from 50.4 percent in 1975 to 54.6 percent in 1980.

The following figures were recorded for the chief industrial products:

| | Unit of Measurement | 1980 Achievements | 1980 Achievements Compared to | |
|---|------------------------|----------------------|----------------------------------|-------|
| | | | 1979 | 1975 |
| Electrical power | bill.kwh | 67.5 | 103.9 | 125.6 |
| Net coal | mill.tons | 35.2 | 107.3 | 129.8 |
| Extracted crude oil | mill.tons | 11.5 | 93.4 | 78.9 |
| Extracted methane gas | bill.cubic meters | 28.2 | 103.6 | 104.3 |
| Steel | thou.tons | 13,175 | 102.1 | 138.0 |
| Primary aluminum and aluminum alloys | thou.tons | 241 | 110.8 | 117.8 |
| Electrical engines of 0.25 kw and larger | mw | 10.067 | 108.0 | 154.4 |
| Means of automation and computer technology | bill.lei | 9.8 | 127.7 | 344.8 |
| Metal-cutting machine- tools | bill.lei | 7.5 | 121.7 | 229.4 |
| Industrial machinery and technological equipment | thou.tons | 684.1 | 98.8 | 172.1 |
| Tractors | thou.units | 71 | 113.4 | 141.7 |
| Trucks, auto-tractors and dump trucks (in the equivalent of 5-ton trucks) | units | 60,618 | 104.4 | 129.2 |
| Town vehicles | units | 79,321 | 117.9 | 142.9 |
| Electrical and diesel locomotives for trunk lines | thou.hp | 863 | 96.5 | 112.9 |
| Sea-going cargoboats | thou.dwt | 480 | 100.7 | 170.6 |
| River and lake vessels | units | 106 | 115.2 | 235.6 |
| Chemical fertilizer (in the equivalent of 100 percent active substance) | thou.tons | 2,451 | 97.2 | 141.7 |
| Basic macromolecular products | thou.tons | 579 | 112.2 | 167.0 |
| Synthetic rubber | thou.tons | 150 | 101.1 | 152.0 |
| Artificial and synthetic fibers and yarn | thou.tons | 206 | 104.9 | 129.8 |
| Tires for vehicles, tractors and airplanes | thou.units | 5,003 | 107.8 | 135.1 |
| Cement (in the equivalent of 80 percent clinker) | thou.tons | 15,611 | 100.1 | 129.9 |
| Wooden furniture | mill.lei | 14,160 | 107.3 | 149.1 |
| Paper, cardboard and pasteboard | thou.tons | 822 | 100.3 | 126.6 |
| Radio receivers | thou.units | 863 | 113.9 | 121.1 |
| Television sets | thou.units | 541 | 94.2 | 105.7 |
| Electrical appliances for household use: | | | | |
| --refrigerators | thou.units | 376 | 117.0 | 185.9 |
| --washing machines | thou.units | 344 | 116.9 | 192.6 |
| --vacuum cleaners | thou.units | 145 | 111.5 | 220.7 |

| | Unit of Measurement | 1980 Achievements | 1980 Achievements Compared to | |
|---|------------------------|----------------------|----------------------------------|-------|
| | | | 1979 | 1975 |
| Textiles | mill.sq.meters | 1,154 | 106.1 | 133.3 |
| Knitwear | mill.units | 296 | 107.4 | 158.9 |
| Textile clothing | mill.lei | 31,484 | 109.2 | 148.0 |
| Footwear | mill.pairs | 113 | 108.5 | 130.5 |
| Slaughter-house meat (1) | thou.tons | 911 | -- | 158.4 |
| Drinking milk (including 2.5 percent fat powdered milk) | thou.hectoliters | 7,368 | -- | 132.4 |
| Edible oil (1) | thou.tons | 355 | -- | 110.6 |
| Sugar, honey and glucose (in sugar equivalent) (1) | thou.tons | 600 | -- | 107.0 |
| Beer | thou.hectoliters | 9,897 | 100.6 | 132.9 |

(1) Average annual rates for the 1976-80 period compared to the 1971-75 annual average.

In accordance with national economy requirements, efforts were intensified to expand the base of raw materials and energy. Geological research expanded, and new deposits of coal, oil, natural gas, as well as ferrous, nonferrous and non-metallic ores were discovered; oil and gas prospecting was carried out on the continental shelf of the Black Sea. Oil and gas deep drilling expanded during this period, and the final recovery factor rose. Nevertheless, provisions envisaged for oil production were not fulfilled, due to the lower potential of certain deposits, deficiencies in drilling and extraction work, and nonfulfillment of tasks concerning the activation of old wells.

In the area of primary energy resources, higher rates of growth were recorded for coal--from 27.1 million tons in 1975 to 35.2 million tons in 1980--which now makes up 15.8 percent of such resources.

To provide greater volumes of domestic resources for the needs of the national economy, measures were intensified during the 5-year plan to bring into the economic circuit recyclable raw and other materials, to collect and recondition used products, to recover and recondition parts, subassemblies, equipment and aggregates, and to utilize secondary energy resources in production.

The electric and thermal power industry increased production by 26 percent in the 1976-80 period. New electric power stations were put into production and existing ones expanded; the power installed during this period at electric power stations was 4,300 mw, including 3,460 mw in thermoelectric power stations and 825 in hydroelectric power stations. By the end of 1980, the installed power at electric stations was over 16,000 mw, almost 40 percent more than at the end of 1975.

In the metallurgical industry, production increased 1.5 times, especially as a result of the expansion and modernization of existing iron and steel enterprises. The Galati iron and steel works and the Tirgoviste special steels combine developed

during the 5-year plan; the first production bays were commissioned at the Calarasi iron and steel works. Noteworthy increases compared to 1975 were recorded in the production of finished rolled steel--36.8 percent--average and light-weight rolled steel--44.9 percent--and quality and low-alloy carbon steels--42.2 percent. One significant fact showing the development of metallurgy is that in 1980 steel production per capita came to about 600 kg, thus placing Romania on a level with countries with a developed iron and steel industry.

In the nonferrous metallurgical industry, the aluminum and aluminum-alloy rolled goods production totaled 80,000 tons in 1980, double that of 1975.

The production achieved in 1980 in the machine-building industry was more than 1.8 percent higher than in 1975. Important results were obtained in decisive sectors for promoting contemporary scientific and technical progress throughout the economy; thus, the electronics industry increased 2.2 times, fine mechanics and optics, 2.3 times, and the production of metal cutting machine-tools, 2.3 times. New types of locomotives, trucks and high-capacity ocean-going vessels, automatic control metal processing machine-tools, tractors and various agricultural machinery, sophisticated equipment and installations for the energy, mining, metallurgical, chemical, construction, light and food industries, computers and means of automation, new types of electrical appliances and equipment were taken into production and manufactured. As a consequence of increases in the technical and production potential of this branch, the machine-building industry supplied close to 80 percent of the installations required for investment projects and more than 1/4 of our exports.

In the chemical industry, production increased 1.6 times during the 5-year plan; thus, greater supplies of raw and other materials were secured for various branches and for export. During this period, important qualitative changes occurred in the chemical industry: emphasis was placed, particularly, on developing the fine-synthesis and small-bulk production, raw materials for the organic synthesis industry, for synthetic fibers and yarns, synthetic rubber and plastics, as well as on chemical products for household use. Compared to 1975, the production of synthetic materials and resins increased 1.7 times, that of detergents, 1.3 times, synthetic fibers and yarns, 1.5 times, and the production of chemical fertilizers, 1.4 times.

In the construction materials industry, production increased in the 5-year plan 1.8 times as compared to 1975; simultaneously, new construction materials and prefabricated products were designed, and the range of products achieved from recoverable materials expanded.

In the wood exploitation and processing industry, production increased over 1-3 times, while the quantity of wood material extracted remained approximately at the same level. The degree of processing and utilization of timber was increased by increasing the production of furniture, fiberboards and chipboards, and by improvements in its quality.

Consistent production increases and diversification were recorded in the consumer industry, and thus consumer requirements were better met.

In light industry, production increased 1.6 times, and the range of products and their quality improved. Special attention was given to processing raw materials better, utilizing raw material substitutes and recoverable materials more intensively. During the 5-year plan the production of cotton textiles increased 26.6 percent, that of wool fabrics, 33.1 percent, that of hemp and flax fabrics, 63.5 percent, that of knitwear, by 110 million units, and the production of footwear, by 27 million pairs.

Food production in 1980 was 1.3 times larger than in 1975. Compared to the preceding 5-year plan, the production of meat increased by 58.4 percent, that of meat products by 57.8 percent, that of consumer milk by 32.4 percent, that of cheese by 37.9 percent, and the production of edible oil by 10.6 percent.

Particularly in the recent period, as a result of the implementation of measures established by the party leadership, small-scale industry, whose production increased 1.6 times during the 5-year plan, played an important role in utilizing local resources and diversifying the range of household articles and utensils.

Certain shortcomings were noted in industrial sectors, as a result of which certain plan provisions were not fulfilled. In some areas of the extractive, metallurgical, machine-building and food industry, production fell short of planned levels, which created difficulties in ensuring smooth production flows and goods stocks for the domestic market and exports. This situation was due to delays in the commissioning of production facilities, failure to attain planned parameters, unsatisfactory utilization of machinery, installations and equipment, and shortcomings in production and labor organization.

II. Agriculture

Agriculture made considerable progress during the 1976-80 5-year plan; its technical-material base developed and was updated, advanced technology was adopted in vegetable and animal production, and production and labor organization improved. The results attained in this branch made a considerable contribution to increasing the national income and to meeting the people's consumption needs.

By the end of the 5-year plan, the agricultural sectors had 146,500 tractors, 27,000 more than in 1975. The number of self-propelled combines increased from 17,900 to 39,100. By 1980, plowing, sowing, grain, sunflower and soybean harvesting operations were almost completely mechanized. Some 891,400 hectares--11.9 percent more than in the 1971-75 5-year plan--were prepared for irrigation, bringing the total area of irrigated land to about 2.3 million hectares. During the 5-year plan, industry delivered to agriculture 6.4 million tons of chemical fertilizer in terms of active substance, 1.9 million tons more than in the 1971-75 period. The average annual quantity of chemical fertilizer applied per hectare of arable land was 112 kg, compared to 77 kg in the preceding 5-year plan.

The vegetable production of main crops obtained in the 1976-80 5-year plan compared with the results of previous years as follows:

| | 1980 Achievements | Annual Rates | | 1976-80 Increases Compared to 1971-75 |
|------------------------|----------------------|--------------|---------|--|
| | | 1976-80 | 1971-75 | |
| Grain, total of which: | 20,199 | 19,383 | 14,814 | 4,569 |
| --wheat-rye | 6,467 | 6,154 | 5,450 | 704 |
| --corn and sorghum | 11,180 | 11,144 | 8,356 | 2,788 |
| Sunflower | 817 | 825 | 761 | 64 |
| Sugar beet | 5,561 | 6,134 | 4,758 | 1,376 |
| Fall potatoes | 3,676 | 3,961 | 2,925 | 1,036 |
| Field vegetables | 3,412 | 3,376 | 2,554 | 822 |
| Fruit | 1,418 | 1,469 | 1,096 | 373 |
| Grapes | 1,313 | 1,423 | 1,202 | 221 |

Average annual production per hectare was higher than in the preceding 5-year plan: 468 kg more wheat; 661 kg more corn; 159 kg more sunflower; 2,699 kg more sugar beet; 3,783 kg more fall potatoes, and 1,065 kg more tomatoes. Higher average yields were also obtained for the principal fodder plants: 1,471 kg more lucerne-hay; 842 kg more annual plants for hay; 5,330 kg more fodder root plants, and 1,628 kg more silo plants.

The following figures were recorded for agriculture as a whole at the 5 January 1981 count of livestock:

| | Livestock on 5.1.1981 | Thousand Head Increases Over the Number at the Beginning of 1976 |
|-----------------------------------|--------------------------|--|
| Cattle--total | 6,485 | 359 |
| of which: | | |
| --cows, buffalo cows and heifers | 3,189 | 160 |
| Pigs--total | 11,542 | 2,729 |
| of which: | | |
| --breeding sows | 1,083 | 262 |
| Sheep and goats--total | 16,212 | 1,902 |
| of which: | | |
| --ewe lambs, ewes and nanny goats | 11,649 | 849 |
| Fowl--total | 97,800 | 19,174 |

The number of livestock increased particularly in socialist agricultural units; an important role was played along this line by the expansion of industrial-type breeding and fattening systems in modern zootechnical complexes.

The following average annual yields were obtained in the 1976-80 period: 2,333,000 tons meat on the hoof (for slaughter); 48.9 million hectoliters cow's milk; 35,400 tons wool and 6,566 million eggs; the production achieved during this period exceeded the annual averages of the preceding 5-year plan by approximately 560,000 tons meat, 10.3 million hectoliters milk; 4,800 tons wool; and close to 1,920 million eggs.

In this 5-year plan agricultural production was negatively influenced by unfavorable climate conditions and by certain deficiencies in the activities of agricultural units, particularly in the utilization of the technical-material base and in the performance of operations. Failure to apply agrozootechnical measures and to systematically cultivate irrigated land and poor organization of harvesting, transport and storage operations caused important production losses. Inadequate attention was given to developing the fodder base, and the yields obtained on the existing 4.5 million hectares of hayfields and pasture land were low. Deficiencies were also recorded in livestock selection, breeding and care, and, as a result, provisions on increasing the number of livestock and production rates of meat, milk and wool were not fulfilled.

Although the 5-year plan provisions on certain crops and animal breeds were not completely fulfilled, the 1976-80 overall agricultural enterprises was further developed, and their production increased 27 percent over the preceding 5-year plan. At the same time, state agricultural enterprises increased their contribution to the state stocks of agricultural produce, their share amounting to 22.5 percent for wheat, 40.0 percent for fruit, 58.3 percent for pork, 68.7 percent for poultry, 30.2 percent for milk, and 63.5 percent for eggs.

Further measures were taken in the 1976-80 period to promote the economic and organizational consolidation of cooperative agricultural units. The state allocated a considerable volume of credits which, combined with higher local investment resources, served to develop and modernize the technical-material base of agricultural production cooperatives and intercooperative economic associations. Their production and contribution to the state stocks increased as a result.

The joint agroindustrial state and cooperative councils made a considerable contribution to the achievements of socialist agricultural units; they facilitated a better distribution of crops, more efficient utilization of the land stock and of technical-material supplies, and expanded the application of advanced agrozootechnical measures. And equally important contribution was made by stations for the mechanization of agriculture; the degree of utilization of existing machinery, per unit and class of operation, increased. The volume of operations performed by such units increased over the 1976-80 period by 60.8 percent compared to the 1971-75 period.

As a result of state aid in the form of seed and seedlings, chemical pesticides, veterinary services and drugs, the agricultural output of private farms and their contribution to state stocks and market supplies increased.

III. Silviculture and Water Administration

Afforestation and reforestation operations were performed during the 5-year plan on an area of 286,000 hectares, 2.9 percent above and beyond plan provisions. The cultivation of fast-growing, valuable species of deciduous and resinous trees was further expanded; such species made up 67.5 percent of newly planted forests. The volume of timber supplied for the economic flow was kept at an approximately constant level, at an annual average of 19,644,000 cubic meters. Forestry units exceeded the plan provisions and achieved an additional production totaling 732 million lei. Fulfillment of the national program on conserving and developing the forestry stock during the 1976-80 period increased the contribution of the

silviculture sector to the country's socioeconomic development, to preserving the ecological balance and increasing the forest stock, which constitutes an important element of our national wealth.

Some 32.5 billion lei investment funds were allocated in the 1976-80 5-year plan for water administration, which permitted the achievement of multiple-purpose reservoirs with an overall capacity of 1,045.7 million cubic meters, water-course regulation operations, river bed reinforcement and consolidation on a stretch of 2,366.5 km, and 905 km of dams providing antiflood protection for 900 populated centers and agricultural land on an area of 164,500 hectares.

IV. Transportation and Telecommunications

In the 1976-80 period, on the basis of an increase in technical equipping, domestic traffic of goods, expressed in tons-km, increased by 20.0 percent and passenger traffic by 15.7 percent.

In the railway sector, measures were further applied to expand electric traction, so that by the end of 1980 the length of electric railways reached 2,367 km. The Bucharest-Constanta, Ploiesti-Buzau-Adjud-Bacau-Roman, Bucharest-Videle-Rosiori de Vede-Carlova, Deda-Beclean-Dej, and Buzau-Faurei lines were electrified, and certain railways were changed to double-tracks. During this period the railway transport sector was supplied with 821 diesel and electric locomotives, 27,476 freight cars (in the equivalent of 4-axle cars), 695 passenger cars, and other means.

To improve automotive transportation, close to 1,000 intensively used public roads were modernized during the 5-year plan, and light asphalt coats were applied on a length of 6,600 km on less traveled roads. During the 1976-80 period automotive transport units were supplied with 10,600 passenger buses, and 28,600 freight vehicles, including a large number of high-capacity trucks.

The ocean-going commercial fleet was supplied with vessels totaling 1,594,300 dwt, including 150,000 dwt oil carriers and high-capacity ore carriers, so that by the end of 1980 the fleet capacity reached 2,606,000 dwt, 2.2 times higher than in 1975. The Constanta port facilities were expanded, and other maritime and river ports were improved and modernized. In 1980 the volume of ocean freight transported--expressed in tons--was 2.5 times higher than in 1975, and that of river freight, double.

The air transport sector was supplied with 26 passenger aircraft with increased capacities and speed. Passenger air transport was 47.2 percent higher than in 1975.

Shortcomings emerged in transport activities in the use of railway cars and automotive means of transportation, and in port loading and unloading operations.

The telecommunications sector was further developed through the expansion of the urban and interurban automatic telephone exchange system and the construction of automatic relays and of radio and television stations. In 1980 the volume of postal activities was 49.1 percent higher than in 1975. Some 142 localities were connected during the 1976-80 period to the interurban automatic telephone network, bringing the total number of such connections to 192 by the end of 1980.

V. Investments and Construction

The volume of investments implemented in the national economy in the 1976-80 period totaled 932.3 billion lei, of which 210.8 billion lei were in 1980 alone. During this period the value of fixed assets in the national economy increased by close to 667 billion lei, at a 9.2 percent average annual rate. Of the total number of fixed assets existing at the end of the 5-year plan 83 percent were commissioned in the past 15 years.

More resolute measures were taken in the 1976-80 period to preclude oversize buildings and unnecessary finishing work, to achieve lighter and less expensive buildings and to expand the utilization of less expensive materials. At the same time, the concept governing investment projects was improved and as a result, existing facilities were better utilized, projects were concentrated on industrial building sites providing common utilities, and technological lines and installations were more rationally distributed. The share of construction-assembly work in the total volume of investments was reduced from 47.1 percent in 1975 to 41.3 percent in 1980, while the share of equipment and installations increased, particularly that of domestically produced ones.

Close to 83 percent of total investment resources were allocated to the various branches of material production as follows:

| | Achievements (billion lei) | | 1976-80 in Percent Compared to 1971-75 |
|--|-------------------------------|-------|---|
| | 1976-80 | 1980 | |
| Industry | 458.8 | 107.3 | 169.7 |
| Construction | 56.4 | 11.0 | 251.6 |
| Agriculture | 126.3 | 28.6 | 156.0 |
| Transport and telecommunications | 96.0 | 22.2 | 171.7 |
| Scientific research and technological development | 5.9 | 1.4 | 161.1 |
| Commerce, public catering and tourism | 26.1 | 4.7 | 124.7 |

Out of investment funds earmarked for industry, 66.9 percent were allocated for the development of the electric and thermal energy industry and for the metallurgical, machine-building and chemical industries.

Some 2,491 production facilities were commissioned in the course of the 5-year plan as follows:

Put into
Operation in the
1976-80 Period

| | |
|---|-------|
| Overall facilities | 2,491 |
| 1. Industrial production facilities in the following branches: | 2,266 |
| --electric and/thermal power and fuel | 201 |
| --ferrous and nonferrous metallurgy | 238 |
| --machine-building and metal processing | 845 |
| --chemical industry, pulp and paper | 285 |
| --construction materials, timber exploitation and processing | 174 |
| --light and food industries | 396 |
| 2. Agro-zootechnical facilities | 225 |

The following key production facilities were commissioned during the 5-year plan:

In the extractive industry: new brown coal production capacities at Jilt, Motru, Lupoia, Rosia-Jiu, Voivozi, Sinmihaiu Almasului, Creaca, Cimpulung (Arges), Rovinari, Tehomir; pit coal capacities at Petrila, Lonea, Paroseni, Barbateni, Lupeni, Vulcan, Dilja, Cozla; iron ore capacities at Baisoara, Ruschita; complex and copper ores capacities at Baia Borsa, Cavnice, Rodna, Sasca Montana and Altin-Tepe.

In the electric and thermal power industry: six 330-mw groups at the Rovinari and Turceni thermal power plants; hydropower plants at Daesti, Riureni, Babeni, Ionesti and Strejesti on the Olt River, Vilcele and Merisani on the Arges River, Mariselu on the Somes River, Gilceag on the Sebes and Motru Rivers. In the metallurgical industry: the first capacity at the Calarasi iron and steel works; new capacities for coking coal, cold and hot-rolled strip mills and a limestone blocks plant at the Calati iron and steel works; a wire mill at the Zalau Pipes enterprise; a second pipe mill at the Roman Pipes enterprise; an average-weight shape mill with special sections at the Otelu Rosu enterprise; the Beclean metallurgical enterprise; the Zimnicea welded pipes enterprise. In the machine-building industry; the Iasi enterprise for machinery, aggregates and special tools; the Cluj-Napoca heavy equipment enterprise; the Tecuci metal construction enterprise; the Strehaia enterprise for industrial structural iron; the Marghita machine-tool enterprise; hydropneumatic equipment, tools and device plants at Bistrita; and the medias relay enterprise. In the chemical industry: ethylene oxide and terpolymer installations at the Pitesti petrochemical combine; a poly-isoprene rubber installation at the Borzesti petrochemical combine; polyvinyl alcohol and polyvinyl acetates installations at the Risnov chemical enterprise; phenol alkyl installations at the Brazi petrochemical combine; Ammonia installations at the Arad, Craiova and Turnu Magurele chemical fertilizer plants; furfural alcohol and furane resin installations at the Victoria chemical combine; a synthetic leather intermediaries installation at the Savinesti synthetic fibers combine; a furfural plant at Slobozia; and a polyester yarn plant at Vaslui. In the construction material industry: a plant for binding agents at Hoghiz and

a cement factory at Tasca. In light industry: a footwear factory at Hunedoara; a cotton-type worsted yarn mill at Husi; worsted wool mills at Focsani and Mizil; a clothing factory at Scornicești; a wool-type knitwear factory near Cehu Silvaniei; a factory for enamel containers at Focsani; a spinning and weaving mill for coarse cloth at Adjud; a silk weaving mill at Tirgu Mures; knitwear factories at Petrosani, Motru, Singeorz, Fetesti, Cimpeni, Negresti-Oas; a fiberglass yarn and textile enterprise in Bucharest; a tile factory at Baia Mare; a cotton-textile weaving mill at Botosani; rug factories at Beclean and Alba Iulia. In the food industry: slaughter houses at Buzau, Satu Mare, Botosani, Miercurea Ciuc and Alexandria; meat products sections at Salonta and Bacau.

The first section of the Bucharest metro was put into operation during this period on an 8 km stretch, and work is at an advanced stage on a second 9 km section. Urban and administration facilities improved in the country's cities and localities; the urban water distribution network was expanded during this period by 2,510 km, and the sewage system by 1,930 km. Urban passenger transportation was supplied with 9,018 vehicles.

New social, education, health and housing administration units were commissioned in the 1976-80 5-year plan as follows:

| | <u>Unit of Measurement</u> | <u>Commissioned in the 1976-80 Period</u> |
|---|--------------------------------|---|
| Overall housing | number | 839,991 |
| of which: | | |
| --built with state, cooperative and public funds | apartments | 754,690 |
| --self-built, self-financed by the population | number | 85,301 |
| Bachelor hostels | places | 212,792 |
| Kindergartens | places | 93,052 |
| Nurseries | places | 28,842 |
| Classrooms | number | 10,097 |
| Higher education facilities | sq. meters | 129,263 |
| Student hostels and boarding schools | places | 90,989 |
| Hospitals, polyclinics, dispensaries and dental care units | number | 450 |

There were deficiencies in investment activities as a result of insufficient work preparation, dispersal of forces on a large number of building sites and incomplete utilization of construction equipment; this caused unjustified extension of execution periods for some projects, and delayed commissioning of production facilities. On the basis of measures taken by the party, material efforts and manpower have recently been concentrated on priority projects in advanced stages of execution with a view to speeding up their commissioning, while strict restrictions have been imposed on beginning new projects.

VI. Scientific Research, Technological Development and the Introduction of Technical Progress

In the 1976-80 5-year plan scientific research, technological development and the introduction of technical progress made a substantial contribution to developing and modernizing industry, agriculture and other economic branches, to cutting back imports and increasing exports, to the better utilization of raw and other materials, and improving product quality and structural ranges.

Special attention was given to concentrating efforts on key projects for the national economy, reducing the research-design-production cycle, and organically coordinating research and education with production. During the 1976-80 period, scientific research and technological development contributed to putting more than 10,300 new types of sophisticated machinery, equipment, apparatus and installations into production, as well as over 5,100 new materials and consumer goods, and to applying or expanding the application of over 9,000 new and updated technological systems. Some 46.1 percent of the commodity-output achieved in 1980 in the processing branches of national industry was made up of new and updated products taken into production in the course of the 5-year plan, which was in excess of plan provisions in this area. Greater attention was given to expanding production mechanization and automation, and to providing the various branches of the national economy with computers.

During the 5-year plan, domestic scientific research provided over 90 percent of the new products and technologies taken into production; special achievements were recorded in the machine-building and chemical industries. Of great importance for the national economy was the achievement of new mining and ore processing methods and technologies; new technologies for the production of polyisoprenic rubber, terpolymers, drugs, cosmetics, insecticides, fungicides, dyes, lacquers and paints; technologies for the preparation of radioisotopes and powerful lasers; new types of digital control machine-tools, internal combustion engines with low consumption rates; new types of stainless steels, special refractory materials and alloys, tubular material for deep well drilling; new types of technical paper and highly-resistant cements; manufacture of optical and laser glass. In agriculture, new species of grain, technical plants, potato, sunflower, vegetable and fruit crossbreeds were produced, as well as new animal breeding systems.

Simultaneously with putting into production results obtained in scientific research, basic long-term research was promoted in physics, chemistry, biology, mathematics, cybernetics, technical sciences, and so forth.

Intensive activities were carried out in typification and standardization of products, which contributed to reducing the number of ranges, types and dimensions, and reducing the consumption of raw and other materials, fuel and energy, and to generally raising the technical and qualitative level of production.

VII. Foreign Economic Relations

The volume of foreign trade in 1980 was 2.1 times larger than in 1975. During the 1976-80 period our country acquired new foreign partners: by 1980 it had economic and scientific-technical relations with 150 states, as compared to 131 in 1975. Romania further gave priority to its economic and cooperation relations

with all socialist states, which made up about 40 percent of our foreign trade volume. Extensive relations were further promoted with the CEMA member states within the framework of the "comprehensive program;" Romania participated in developing cooperation in the areas of production, science and technology with those countries, in the interests of developing each national economy, evening out their levels of development, and generally consolidating the forces of socialism. Economic and scientific-technical relations were expanded with developing countries and developed capitalist states, and with all nations in the world, regardless of social system. Romania based its economic and scientific-technical relations with other countries on the principles of full equality of rights, respect for national independence, noninterference in internal affairs and mutual advantage.

Exports in 1980 totaled 162.5 billion lei, 2.1 times more than in 1975. Exports of machinery, equipment, installations and means of transportation increased 2.2 times during the 5-year plan; chemical products 1.9 times; and industrial consumer goods 2.0 times. Larger amounts of power and electrical engineering equipment--especially low and high-tension electrical apparatus--as well as lathes, tractors, agricultural machinery and implements, vehicles, soda ash and caustic soda, chemical fertilizers, synthetic materials, tires, furniture, fine glassware and ceramics, textiles, clothing, knitwear, footwear, fresh and canned vegetables, and so forth were delivered to foreign markets.

Hard currency income from international tourism increased 57.8 percent in the 1976-80 period. In 1980 the number of tourists reached 6.7 million.

Imports for 1980 totaled 177.8 billion lei, 2.2 times higher than in 1975. We imported raw and other materials, machinery, equipment and installations, as well as consumer goods. Imports of fuel, mineral and metal raw materials increased 2.9 times in 1980, making up over 50 percent of all imports, as compared with 38.2 percent in 1975. In 1980 alone we imported 15,961,000 tons of crude oil, 2,386,000 tons coking coal, 15,982,000 tons iron ore, 3,133,000 tons metallurgical coal, 228,700 tons heavy, medium and light steel sections, 117,800 tons cotton and 36,900 tons raw cattle hides.

Shortcomings were noted in foreign trade activities concerning foreign market canvassing, concluding contracts on production earmarked for export, efficiently adapting production to foreign market requirements, fulfillment of contract obligations by certain producers, and obtaining good prices for certain products. Due to failure to fulfill export provisions, excessive imports and increased import prices, the commercial balance of the past years ended in deficit.

VIII. Enhancing Economic Efficiency

Economic efficiency improved in all the branches of material production as a result of measures taken to improve the leadership of economic-financial activities on the basis of the principles of workers' self-management, self-administration and self-financing.

In national industry, labor productivity was 40.4 percent higher in 1980 than in 1975, rising at an average annual rate of 7.0 percent. Over 3/4 of the industrial production increase achieved during the 5-year plan was obtained by increasing labor productivity, as compared to 55 percent in the preceding 5-year plan.

Labor productivity in construction-assembly sectors increased 45.8 percent during 1976-80, and in railway transportation, 13.6 percent.

The degree of utilization of raw and other materials, fuel and electrical power increased considerably in 1976-80; by 1980 the value of products per unit of processed raw material was 33.0 percent higher than in 1975 in the sector of machine-building and metal processing, 10.1 percent higher in the rubber products industry, 27.6 percent higher in the timber exploitation and processing industry, 43.2 percent higher in the cotton and cotton-type textile industry, and 26.4 percent higher in the leather footwear industry.

On the basis of more efficient utilization of material resources and manpower, total expenditures per 1,000 lei commodity-output in national industry dropped 6.3 percent in 1980 compared to 1975. In comparable conditions; thus, material expenditures were reduced 5.1 percent. Throughout the 5-year plan, total expenditure savings totaled 100 billion lei. Production costs were also cut back in other economic branches: 5.8 percent per 1,000 lei production in contracted construction-assembly work; in railway transportation the maximum cost per 1,000 conventional tons/km was 4.8 percent lower, and 5.3 percent lower in automotive transportation. However, production costs were not lowered in accordance with plan provisions in all sectors, due to failure to completely utilize production facilities and manpower, and excessive consumption of raw and other materials, fuel and energy.

IX. Development of Production Forces Throughout the Country

Consistent implementation of the RCP policy of rationally distributing the production forces throughout the country's territory contributed to reducing the gaps between the levels of socioeconomic development of the various areas and counties.

The process of improving the territorial distribution of industry deepened in the 1976-80 period and resulted in the construction of new units in less industrialized counties. The following counties recorded average annual rates of growth higher than the national average: Bistrita-Nasaud--21.4 percent; Salaj--20.7 percent; Covasna--17.8 percent; Vilcea--16.7 percent; Tulcea--16.1 percent; Botosani--16.0 percent; Vaslui--15.4 percent; Buza--14.7 percent; Vrancea--12.5 percent; Dimbovita--12.3 percent; Harghita--12.0 percent.

The technical material base of production increased in all counties in comparison with 1975, particularly in less developed counties. Thus, the evolution of productive fixed assets in the various counties was as follows:

| Productive Fixed Assets Value | Number of Counties | | | |
|-------------------------------|--------------------|------|------|------|
| | 1965 | 1970 | 1975 | 1980 |
| Up to 10 billion lei | 35 | 23 | 8 | 3 |
| 10.1 - 20.0 billion lei | 4 | 13 | 16 | 7 |
| 20.1 - 25.0 billion lei | - | 2 | 7 | 7 |
| 25.1 - 30.0 billion lei | - | 1 | 2 | 4 |
| Over 30.0 billion lei | 1 | 1 | 7 | 19 |

Judicious investment policy in all the counties narrowed the gaps between them from the viewpoint of industrial production potential. According to industrial production actually achieved, the counties are divided into the following groups:

| <u>Value of Attained Industrial Production</u> | <u>Number of Counties</u> | | | |
|--|---------------------------|-------------|-------------|-------------|
| | <u>1965</u> | <u>1970</u> | <u>1975</u> | <u>1980</u> |
| Up to 2 billion lei | 14 | 5 | 1 | - |
| 2.1 - 4.0 billion lei | 13 | 11 | 4 | - |
| 4.1 - 10.0 billion lei | 9 | 15 | 14 | 8 |
| 10.1 - 15.0 billion lei | 3 | 5 | 7 | 7 |
| 15.1 - 25.0 billion lei | - | 3 | 10 | 14 |
| Over 25 billion lei | 1 | 1 | 4 | 11 |

All counties currently possess capacities for an annual industrial production of at least 10 billion lei, thus ensuring that one of the key goals established by the 11th Party Congress has been attained.

The improvements in the regional distribution of the forces of production has led to positive changes in the structure of the employed population, by increasing the number of working personnel per each 1,000 inhabitants in the less developed counties: in Bistrita-Nasaud, from 179 in 1975 to 249 in 1980; in Buzau, from 200 to 265; in Covasna, from 276 to 325; in Dolj, from 243 to 285; in Ialomita, from 238 to 306; in Mehedinti, from 215 to 254; in Neamt, from 234 to 277; in Olt, from 202 to 241; in Salaj, from 169 to 241; in Teleorman, from 178 to 217; in Vilcea, from 232 to 261; in Vrancea, from 186 to 226. In 22 counties, the number of working personnel per 1,000 inhabitants currently exceeds 300, compared with only 13 counties in 1975.

The level of urbanization has increased: the number of towns with a population of more than 100,000 inhabitants has reached 19, 10 of which have over 200,000 inhabitants. The number of counties with a degree of urbanization of over 50 percent has reached 13 in 1980, compared with 6 in 1975 and 2 in 1965.

X. Population and Manpower

The demographic policy consistently promoted by our party and state has ensured the growth of the country's population in the 1976-80 period by about 930,000 people. At the end of 1980, the population of the Socialist Republic of Romania had reached 22.3 million inhabitants.

By the end of the 5-year plan, 10.4 million people were employed in the national economy; their share in industry and other nonagricultural activities increased from 62 percent in 1975 to 71 percent in 1980.

The average number of working personnel in all economic branches was 7,340,000 [as published] in the last year of the 5-year plan. The number of workers increased by 900,000, their share in the overall number of working personnel being over 80 percent in 1980. By implementing the program of measures on increasing the participation of women in socioeconomic activity, their share in the overall number of working personnel increased from 34.5 percent in 1975 to over 37 percent in 1980.

XI. The People's Living Standard

The consistent policy of our party and state of continuously increasing all the people's well-being is tellingly illustrated in the achievements attained during this 5-year plan in increasing incomes and purchasing power; raising the consumption of foodstuffs and non-food products and the level of services; and improving housing, working and holiday conditions as well as the health and cultural level of the people.

In 1980, incomes from labor remuneration for the working personnel increased by 76.3 billion lei compared with 1975, as a result of implementing successive measures to increase the remuneration of all categories of working people and the number of working personnel throughout the 5-year plan. The total increase in incomes derived from the remuneration of working personnel in the 1976-80 5-year plan exceeded the total increase achieved in the 1951-1970 period. About 7.3 million working people profited from such increases. The minimum remuneration has currently reached 1,425 lei monthly, compared with 1,114 lei in 1975, thus maintaining a ratio of 1 to 5.5 between minimum and maximum wages.

The increase in base wages, the promotions in categories, steps, functions and grades, the increase in length-of-service bonuses and other rights and the granting of monetary compensations for the readjustment of fees for electric and thermal energy and natural gas have led to an increase in the average nominal remuneration from 1,595 lei monthly in 1975 to 2,238 lei in 1980.

The 40 percent increase in the average nominal remuneration and the attainment of an index of commodity prices and service fee of 109.1 percent has ensured a 29 percent increase in the working personnel's real remuneration, compared with 18-20 percent as envisaged in the directives of the 11th Party Congress.

The real incomes of the peasantry derived from work in agricultural production cooperatives and private plots, per active person, have increased 29 percent, which is over the top limit included in the initial stipulations.

The people's incomes derived from funds allocated from the state budget for social and cultural activities have increased by over 39 percent, from 50.9 billion lei in 1975 to 70.9 billion lei in 1980; per capita, these incomes increased from 2,397 lei in 1975 to 3,195 lei in 1980. From these sources, in 1980 the state ensured free schooling for 5.6 million pupils and students, paid pensions for 1.8 million people and state allowances for 4.5 million children and spent 14.3 billion lei for free health care for the people.

As a result of the 2-stage increase in social assistance pensions between 8 and 40 percent, the average nominal social assistance pension has increased 26.1 percent during this 5-year plan; the pensioners with smaller pensions profited from higher increases.

Likewise, the pensions of war invalids, orphans and widows, military pensions, the pensions of members of artisan cooperatives as well as various other pensions were increased in this period. Beginning with 1 January 1979, the pensions of badly crippled persons and war invalids with first degree disability were granted an additional increase.

The pensions of more than 1.2 million cooperative peasants were increased by over 20 percent. Aside from pensions, retired cooperative peasants also receive aid in kind and money, and have extra incomes from work on plots of land given them for personal use.

Beginning with 1 January 1978, a system of pensions was set up for some 155,000 peasants from noncooperativized areas.

The average state children's allowance increased in the 1976-80 5-year plan by 25.5 percent. At the 1980 level, the funds for these allowances have reached over 10.6 billion lei, 42 percent more than in 1975.

Total real incomes of all the people in towns and villages increased by about 34 percent in 1980 compared with 1975.

Retail commodity sales through the socialist trade network amounted to 213.1 billion lei in 1980, that is, 46.2 percent higher than in 1975 and 6.4 percent higher than in 1979. Sales of foodstuffs increased 42.2 percent in the 1976-80 period; sales of foodstuffs through the public catering network increased 42.9 percent; and sales of nonfood products increased 49.6 percent.

The dynamics of sales for major food commodities was as follows:

| | <u>Unit of Measurement</u> | <u>1980 Sales</u> | <u>1980 Level in Percent Compared to 1975</u> | <u>Average Annual Rate 1976-80 (in percent)</u> |
|---|--------------------------------|-------------------|---|---|
| Meat and meat products | | | | |
| (in terms of fresh meat) | thousand tons | 835.6 | 159.1 | 9.8 |
| Edible oil | thousand tons | 203.9 | 135.3 | 6.3 |
| Milk and fresh milk products (in terms of milk) | thousand hl | 9,799.1 | 131.1 | 5.6 |
| Cheese | thousand tons | 95.2 | 118.5 | 3.5 |
| Butter | thousand tons | 28.7 | 138.6 | 6.8 |
| Eggs | million units | 1,566.0 | 119.0 | 3.6 |
| Fish | thousand tons | 72.3 | 126.9 | 4.9 |
| Sugar | thousand tons | 419.4 | 138.6 | 6.8 |
| Sugar products | thousand tons | 144.7 | 159.6 | 9.9 |
| Potatoes | thousand tons | 564.5 | 119.0 | 3.6 |
| Fruit (including grapes) | thousand tons | 306.4 | 135.2 | 6.2 |
| Fresh vegetables | thousand tons | 813.8 | 119.2 | 3.6 |
| Wine | thousand tanks | 29.6 | 113.7 | 2.6 |
| Beer | thousand hl | 9,734.0 | 134.5 | 6.1 |

The large increase in sales of foodstuffs have facilitated the attaining of a consumption level that meets general physiological requirements and creates conditions for the people's healthy and harmonious development. In order to attain this consumption level, our economy has made particular efforts, and the export of certain quantities of agricultural and food products has been cancelled.

Important increases were also recorded for the following industrial products:

| | <u>Unit of Measurement</u> | <u>1980 Sales</u> | <u>1980 Level in Percent Compared to 1975</u> | <u>Average Annual Rate 1976-80 (in percent)</u> |
|---------------------|--------------------------------|-------------------|---|---|
| Cotton textiles | million lei | 3,890.3 | 106.9 | 1.4 |
| Wool textiles | | | | |
| (excluding carpets) | million lei | 2,973.6 | 122.1 | 4.1 |
| Knitwear | million lei | 10,532.7 | 167.7 | 10.9 |
| Ready-made clothes | million lei | 14,353.4 | 145.9 | 7.9 |
| Footwear | million lei | 8,130.1 | 139.2 | 6.9 |
| Refrigerators | thousand units | 364.8 | 140.2 | 7.0 |
| Television sets | thousand units | 445.9 | 112.7 | 2.5 |
| Radio receivers | thousand units | 499.3 | 125.0 | 4.6 |
| Sewing machines | thousand units | 97.5 | 115.4 | 2.9 |
| Washing machines | thousand units | 283.6 | 189.9 | 13.7 |
| Vacuum cleaners | thousand units | 332.5 | 174.8 | 11.8 |
| Furniture | million lei | 7,959.9 | 160.6 | 10.0 |
| Automobiles | thousand units | 83.5 | 183.5 | 12.9 |

Footnote: The calculation of the rate of commodity sales was made under comparable conditions.

The volume of services to the people through socialist units was 28.2 percent higher in 1980 compared with 1975. More rapid development was recorded in the areas of repairing household and personal appliances, and in communal and housing administration. However, services were still under the required levels, especially in laundries, chemical cleaners and housing repairs and maintenance.

All levels of education developed and diversified in the 1976-80 5-year plan in accordance with the requirements of manpower training and the country's overall progress. Eighty-one billion lei were allocated from the state budget in this period to develop the material base of education. The number of students at all levels increased by about 500,000 in the 1980-81 school year compared with the end of the previous 5-year plan, thus ensuring that over 25 percent of the country's population attends various training courses in educational institutions. The number of children in kindergartens reached 936,000, that is, 77.5 percent of the number of children of pre-school age. At present, 3,308,000 pupils are studying in primary and intermediate schools and 980,000 students in high schools; likewise, there are 168,000 pupils in vocational education and schools for foremen and 193,000 students in higher education. Vocational education and foremen schools, as well as specialized high schools, have turned out in the 1976-80 period over one million cadres compared with 795,000 in the 1971-75 period. The number of higher education graduates increased from 154,700 in the previous 5-year plan to over 170,000.

The material base of culture and art continued to develop in the 1976-80 5-year plan, with new cultural institutes and establishments being completed. During this 5-year plan, 129 full length feature films and 1,485 documentary, scientific and cartoon films were made. The cinema audience reached 193.6 million in 1980,

that is 4.3 percent higher than in 1975. There were 3,205,000 radio and radio-relay permits and 3,714,000 television permits in 1980, that is, respectively, 3.9 percent and 38 percent more than in 1975. The number of permits per 1,000 inhabitants is 144 for radio and radio-relay and 167 for television.

Important measures to develop and improve the material base of health care were taken in the 1976-80 5-year plan. The number of hospital beds increased from 196,200 in 1975 to 208,200 in 1980, thus averaging 9.4 beds per 1,000 inhabitants. The people's medical assistance is currently being ensured by 39,800 physicians, including 7,000 dentists, thus averaging 1 doctor for each 558 inhabitants, compared with 624 inhabitants in 1975. An expression of the improvement in the people's health is the reduction in the amount of sick leave. The average life expectancy has reached 70 years.

The technical-material base of tourism, holiday and spa treatment was developed in the 1976-80 5-year plan by building new accommodations and facilities, increasing the level of comfort and better utilizing national conditions.

The 1976-80 5-year plan winds up the seventies, a decade of outstanding achievements in the country's socioeconomic development and in raising the level of the entire people's material and intellectual civilization, a decade which has covered an important stage in implementing the party program for building the comprehensively developed socialist society.

The dynamics of the main indicators of the socioeconomic development of the Socialist Republic of Romania are as follows:

| | 1980 Compared With 1970 | Percentages Average Annual Rate 1971-80 |
|---|----------------------------|--|
| Net industrial production | 301.0 | 11.6 |
| Overall industrial production | 289.0 | 11.2 |
| Overall agricultural production (annual rate 1976-80 compared with 1966-70) | 158.1 | 4.7 |
| Overall volume of domestic goods transportation | 168.2 | 5.3 |
| Overall volume of investments in the national economy (average annual rate 1976-80 compared with 1966-1970) | 277.9 | 10.7 |
| Overall volume of existing fixed assets | 246.0 | 9.4 |
| Overall volume of foreign trade | 497.1 | 17.4 |
| Number of working personnel | 143.7 | 3.7 |
| Labor productivity in the national economy per inhabitant (on the basis of overall production) | 197.0 | 7.0 |
| Retail goods sales through socialist trade network | 214.8 | 8.0 |
| Services to the people | 210.8 | 7.7 |
| Social product | 230.3 | 8.7 |
| National income | 241.3 | 9.2 |

| | 1980 Compared With 1970 | Percentages Average Annual Rate 1971-80 |
|--|----------------------------|--|
| Average net remuneration of the working personnel | 173.6 | 5.7 |
| Real remuneration of the working personnel | 154.1 | 4.4 |
| Nominal incomes of peasantry derived from agricultural production cooperatives and private plots per active person | 239.9 | 9.1 |
| Incomes obtained by the people from social consumption funds, per capita | 192.4 | 6.8 |

The outstanding achievements attained in the 1976-80 5-year plan are the result of the self-denying work of the workers class, peasantry, intelligentsia and all working people, regardless of nationality, who--closely united around the RCP and Secretary General Comrade Nicolae Ceausecsu--have worked with enthusiasm and devotion to utilize the country's material and human potential, to unflinchingly implement the party policy and to ensure our socialist fatherland's continuous flourishing. The outstanding achievements of the 1976-80 5-year plan powerfully demonstrate the correctness of our party policy, which creatively applies general truths of socialism to concrete conditions prevailing in Romania, and the fact that our party is successfully fulfilling its historic mission as the leading political force of the entire nation, on the road to well-being, happiness, socialism and communism.

The achievements attained in the 1976-80 5-year plan constitute a sound foundation for the successful accomplishment of the even more daring objectives of 1981 and of the current 5-year plan, as well as of the 12th Congress historic decisions, which are centered on achieving a higher quality in all areas, on markedly developing the production forces, increasing the national wealth and income, and raising the level of civilization and living standard of the people, so that in the course of the 1981-85 5-year plan Romania can effect the transition from a developing socialist country to a socialist country with an average level of development.

Primary attention must be given to increasing raw materials production--particularly oil, coal and other energy resources--and agricultural production, as these constitute key sectors playing a decisive role for developing the economy and society, and achieving the provisions of the entire 5-year plan. At the same time, the other sectors producing materials and substitutes--metallurgy, chemical, machine-building and construction materials industries--must take firm measures to fulfill their production programs.

It is of special importance to improve technical-material supplying and interplant cooperation, so that, in accordance with approved consumption norms, production can proceed smoothly and each unit's potential can be appropriately utilized.

Attention must be centered on fulfilling physical production in the ranges planned and contracted, on further reducing material expenditures, and fulfilling and

exceeding net production provisions. All units must take resolute measures to observe specific rates of consumption of raw and other materials, fuel and energy, to strictly apply norms and standards established on the basis of standardization of products, and to substantially increase the degree of utilization of material resources. Thus, special attention must be given to the technical and qualitative level of production, to updating products and technologies, and to rapidly disseminating new scientific and technical achievements. A particularly important role also devolves on completely fulfilling and exceeding tasks concerning the recovery of reusable materials and the reconditioning of parts and subassemblies.

A profound revolution must be effected in agriculture regarding both the technical-material base and organization of production. The entire land stock must be turned to good account, irrigated land must be efficiently utilized, all agricultural operations must be performed on schedule and well, and a good fodder base must be ensured, with a view to achieving superior vegetable and animal production, resolute steps must be taken to improve the leadership and enhance the economic efficiency of all state and cooperative agricultural units and joint agroindustrial councils. Better use must be made of existing resources in agriculture, by ensuring active participation by all village inhabitants in increasing vegetable and animal production and rationally utilizing individual plots of land.

In the area of investments, forces must be concentrated--in accordance with the measures established--on commissioning all planned projects on schedule, accelerating the assembly of machinery in stock, and promoting the utilization of standard designs and construction materials. At the same time, efforts must be intensified to ensure the appropriate running of existing facilities, to attain planned parameters, and to perform maintenance and repair operations on fixed assets on schedule and in good conditions.

In the area of transportation, resolute measures must be taken to ensure appropriate loading and maximum utilization of all railroad cars, vessels and automotive means of transportation, with a view to ensuring rational and optimal transport flows.

Steps must be taken in all areas to better organize production and labor, to expand mechanization and automation, to further cut back nonproductive personnel and transfer them to production sectors, and to improve the professional and technical training of the working people, so that as of 1981 we can substantially increase labor productivity.

To ensure satisfactory activities in all areas, we must resolutely apply the new economic-financial mechanism and expand workers' self-management and self-administration, and must increase the sense of responsibility of each collective for judiciously managing the means entrusted to them, covering expenses from their own income and increasing profits, for fulfilling their financial obligations to society. An important role is incumbent along this line on financial-banking bodies, which must take strict steps to efficiently manage public funds.

All ministries, producing and foreign trade enterprises must concentrate on fulfilling export provisions, cutting back imports of materials, parts and installations, with a view to evening the commercial balance and balance of foreign payments, and creating conditions for reducing our foreign debt.

Simultaneously, measures must be taken to fulfill the consumer production earmarked for the domestic market, to rapidly expand and diversify services and improve the work of commercial units, with a view to ensuring appropriate public supplies, in accordance with the plan.

Fulfillment of the 1981 plan and of the entire 1981-85 5-year plan, and implementation of the historic decisions of the 12th RCP Congress will further consolidate the strength of our socialist economy, will increase the material and intellectual well-being of the people, will raise the Socialist Republic of Romania to higher levels of progress and civilization, will further consolidate its national independence and sovereignty, and will raise our fatherland's prestige among the free nations of the world.

[signed] The Supreme Council of Socioeconomic Development
The State Planning Committee
The Central Directorate for Statistics

CSO: 2700

NEW FOREIGN TRADE LAW STRESSES INCREASED EXPORT ACTIVITY

Cooperation Between Foreign Trade, Production

Bucharest SCINTEIA in Romanian 27 Dec 80 pp 1, 5

[Article by Ion Teodor: "Regulations of Great Importance in Increasing the Effectiveness of Foreign Trade"]

[Excerpts] The law for the strengthening of worker self-management and economic-financial and currency administration in the activity of foreign trade and international economic cooperation, which was discussed and adopted recently by the Grand National Assembly places the export-import activity of all economic units on new principles, so that the advantages of the participation of Romania in the international division of labor will be utilized more fully and so that foreign trade activity will increase its contribution to the socio-economic development of the country and to raising the standard of living of the people. The new law is intended to integrate the sphere covered by the new economic-financial mechanism, extending the application of the principles of worker self-management to foreign trade and international economic cooperation. The fundamental objective of the law is the stronger affirmation of economic-financial and currency self-administration and, for this purpose, the ministries, the producing enterprises, and the foreign trade enterprises are obligated to take all measures to assure that export production, the commercialization of goods on foreign markets, and international cooperation actions will ensure the covering of expenditures in hard currency by hard currency receipts from their own activity and, at the same time, will contribute to the increasing of hard currency resources needed by the national economy and to the stimulation of workers who participate in export activity.

The new law introduces a number of elements and work instruments which deal specifically with foreign trade activity. Thus, currency self-administration assures a direct link between the results of export-import activity and the overall financial results of each economic unit. In other words, a new perspective is opened in regard to the rights and obligations of ministries, industrial centrals, units producing goods for export or beneficiaries of imported goods, and foreign trade enterprises.

What is the crux of the problem? We know that recently the prices of raw materials and industrial products increased noticeably on the international market.

Despite this fact, enterprises and even ministries insistently demanded imported products. Units which did not export anything or which exported very little wanted to receive, at any price, imported equipment, installations, tools and even small inventory items and, if possible, they wanted these articles to have the most sophisticated labels. All right, but where would the hard currency money come from? As a rule, the attitude of the requesters changed: "This is a problem for the national economy." Of course, import is a problem on the national level; but it should be confined to the strictly necessary in each enterprise and branch. The hard currency resources of the national economy directly depend on the quantity and quality of the products exported by each individual enterprise and on the contribution of each working collective in fulfilling and exceeding the export tasks.

According to the new regulations, the results of foreign trade and international economic cooperation activity are reflected in the overall financial results of the economic units. Beginning in 1981, the ministries, the other central and local organs, the centrals and enterprises which produce for export or benefit from imports will draw up a trade balance sheet and a plan for hard currency receipts and payments for their own foreign trade and international economic cooperation activity which will be approved at the same time as the other tasks of the plan. Also, on the basis of the total volume of activity, the foreign trade enterprises will draw up income and expenditures budgets as well as plans for hard currency receipts, payments and profits which will be an integral part of the budget. To the extent that a unit turns out products in excess of the provisions of the plan, products of superior quality which are in demand and are utilized in advantageous conditions on foreign markets, it will benefit from additional hard currency funds and will have more resources available for import and for providing incentive to workers.

One chapter of the new law refers to the improvement of contractual relations between foreign trade enterprises and units producing goods for export or beneficiaries of imported goods. Actually, the entire export-import activity will be carried out only on the basis of firm contracts, which stipulate reciprocal obligations and rights both for foreign trade enterprises and for producing units. This is intended to strengthen responsibility for covering the foreign trade plan with contracts, at competitive prices, and for a corresponding effectiveness in imports. Also, the functions and responsibilities of the producing units for ensuring the regular production of goods intended for export, at a superior qualitative level, are increased. The signing of the principal export and import contracts will be executed with the participation of representatives of producing units and--as needs be--of institutes for scientific research, technological engineering and design. This measure will assist the foreign trade enterprises which, having the producers beside them, will be able to respond more effectively and promptly to the requests of foreign partners. At the same time, the foreign trade enterprises have the task of exercising constant control in the producing units over the processes of preparing for the production of goods intended for export and their manufacture on time and with good quality.

In order to increase the economic efficiency of foreign trade activity and continually strengthen the national currency, the new law makes fundamental changes

in the system of financial-currency relations in export-import activity. Beginning 1 January 1981, the concept of "hard currency-lei" will be abandoned and a single commercial rate of exchange expressed in lei will be introduced, reflecting the average return rates for export and import for products and groups of products. In this way, a closer connection is assured between domestic prices and prices on the foreign market and a corresponding influence of the latter prices on the economic administration of units producing goods for export or beneficiaries of imports and foreign trade enterprises is also assured.

The law also includes a number of provisions for the improvement of the activity of foreign trade enterprises and the stimulation of exports. Foreign trade enterprises will be able to engage in other export activity, in addition to the approved activity, especially the export of products of the machine-building industry, in the framework of matched operations for imports, as well as other exports if the planned effectiveness indicators are achieved. Also, the foreign trade enterprises can and should organize their own system of commercialization, technical assistance and service.

In their turn, the producing units have the right to use--for their own needs--a part of the volume of the currency receipts obtained in excess of the plan as a result of increasing production intended for export. The respective sums can be used for imports intended for the development of export production, for the introduction of new technologies or for the acquisition of materials, sub-aggregates and spare parts.

Competition, Profit-Sharing

Bucharest ROMANIA LIBERA in Romanian 26 Dec 80 pp 1, 5

[Article by Corneliu Antim: "Foreign Trade Requirements"]

[Excerpts] In 1981, the volume of export is envisaged to be 21 percent higher than in 1980. This is a minimal task on which success in the achievement of the planned equilibrium in the balance of trade for the coming year depends. A policy of promoting export is necessary in order to ensure that we have the necessary financial means for import and also to reduce, as rapidly as possible, the foreign debt which we have at the present time.

The current law provides the juridical framework for a better coordination of activity on the part of the economic supply units and the specialized foreign trade enterprises. In what way will this coordination be achieved? The basic principle is that of providing mutual stimuli and incentives. Thus, for example, 80 percent of the supplementary hard currency receipts will remain as private profit for the producing units (including the sub-suppliers which receive, on a proportional basis, their due benefits from the export activity). Individual profit from the achievement of supplementary production for export at high qualitative levels is increased from 10 to 20 percent in the producing units. Bonuses are set for workers in foreign trade enterprises for special achievements and for great efficiency in hard currency dealings; for exports above the plan, supplementary bonuses set by annual lists in the single national plan are provided. However,

these measures are based on the observance of some very important provisions which increase the responsibility "in their area of competence" both of the supplying units and the beneficiaries (foreign trade enterprises) for executing their foreign trade obligations.

"The foreign trade enterprises are obliged to conclude foreign contracts at competitive prices, practiced on the international market, which would ensure the superior utilization of export products" (Article 19). This is the logical expression of a trade based on continuing, courageous initiative, a principle which is based on an appreciable and fully competitive economic industrial potential attained by numerous Romanian enterprises.

The degree of involvement of the foreign trade enterprises in the production sphere has been increased considerably by the provisions of articles 21, 22, 23, and 24. Article 23 states: "The foreign trade enterprises are obliged to exercise permanent control in the producing units over the putting into production and execution, on time and with good quality, of export goods and are responsible, together with the producing units, for the execution of export contracts." This is one of the most expressive and most comprehensive provisions of this law.

CSO: 2700

IMPROVEMENT OF DOMESTIC TRADE NETWORK PLANNED

Bucharest SCINTEIA in Romanian 23 Jan 81 pp 1, 2

[Interview with Ana Muresan, minister of domestic trade, by Mihai Ionescu]

[Text] [Question] Please briefly point out a few aspects that are characteristic of trade activity during the 1976-1980 period.

[Answer] Under the prior five-year plan -- the period that saw the highest growth rates of the people's purchasing power in all the years of socialist construction -- the socialist trade units sold merchandise of more than 915 billion lei, which is equivalent to the sales of the 10 previous years (1965-1974) combined. As pointed out very convincingly by the party secretary general at the recent plenary session of the National Council of Working People, the 1970's decade saw the marketing through the socialist trade units of amounts of products that were 2.17 times greater.

As a result of our party and state consistent policy of continuously improving the working people's standard of life, of raising incomes and expanding the production of consumer goods, and as a result of Nicolae Ceausescu's direct concern for adequate supplies to all the people, in 1980 every family was able to purchase, on the average, merchandise of more than 30,000 lei, compared to about 20,000 lei 5 years ago. During this period the number of types of products offered to shoppers went up to more than 300,000 and about 60 percent of the products sold in 1980 were new or modernized. The technical-material base of trade was expanded, new stores were completed, among them many department stores with ample conditions for use of modern procedures of sales.

For an assessment of the results obtained in upgrading the supplies and promoting the well-being of working people significant are the increases in the per capita physical consumption rates recorded during this period for all categories of products -- edible and nonfood items.

[Question] How will trade activity in 1981, the first year of the new five-year plan, increase?

[Answer] According to the provisions of Romania's uniform national plan of socioeconomic development, the total volume of retail sales through socialist

trade units this year will be 225.5 billion lei, which means increasing the offer of consumer goods made available to the population by more than 12 billion lei. Actually, as specified in the Program on supplies to the population, approved by the plenary session of the Central Committee of the Romanian Communist Party held in December 1980 and by the Grand National Assembly, the rise in sales for all categories of products is ensured.

For instance, for the entire year, as compared to 1980, deliveries will be greater: for meat and meat products, by 7 percent; for milk and fresh milk products, 5.2 percent; sugar and sugar products, 6.5 percent. The amount of goods provided for under the plan assures increased sales: for garments and knits, by 9 percent; television sets, 12 percent; washing machines, 9 percent; furniture, 11 percent, and so forth. The increase in the output of consumer goods and deliveries anticipated for the market fund, together with the stocks existing in the trade network are meant to ensure, throughout the year, adequate supplies to the population, in accordance with rational consumption norms, both in terms of food and nonfood products.

Moreover, I would like to point out the outstanding significance of the decision made by the party executives specifying that the impact of the rise in operating and delivery costs of industrial and farm food products be borne in 1981 by the state budget while the current retail sales prices for consumer goods are maintained.

[Question] What measures will be taken this year to further improve trade activity?

[Answer] Guided by the directives contained in Nicolae Ceausescu's speech at the plenary session of the Central Committee of the Romanian Communist Party held on 17-18 December 1980, this year we have focused our efforts on smooth delivery of the goods contracted for with industry and better management of the amount of goods intended for supplies to the people. Consequently, we are mobilizing all trade workers in the ministry, in county trade directorates and trade enterprises, to monitor and assure delivery at a smooth pace and in the product pattern requested for the merchandise under the plan and contracts. Our cooperation with the production units will this year involve a new organizational setting: on instructions of the party higher leadership, each producer ministry now has special collectives that are responsible for the delivery of commodities to the market. We place special emphasis on preventing discontinuity in supplies of food products and assure in advance, in conjunction with supplier units, adequate amounts of these products.

A major concern of our ministry involves the wisest possible and fair assignment of the amounts of goods to the various counties, in light of increased incomes, the number of inhabitants and the changes that have occurred in the population structure in each territorial unit. In their turn, the county trade directorates and trade enterprises, under the direct guidance of county party committees and people's councils must take firmer action for the proper assignment of food and nonfood products to the various localities, districts and stores, paying special attention to workers' towns and settlements.

The trade directorates and enterprises are urged to step up their projects for ensuring the planned amounts of commodities, in compliance with the assignments determined, focusing on drawing into the flow of supplies greater quantities of products obtained locally -- by planting in yards and vacant lands, raising animals, and so on.

Closely linked with this matter is better management of the amount of goods, with emphasis placed on transportation and storage of products under the best possible conditions, elimination of loss and avoidance of deterioration during the entire trade cycle from the producer to the buyer. Moreover, this year we strive to shorten trade cycles by extending direct delivery from the manufacturing enterprises to the stores and by an ampler transfer of the stocks of nonfood goods from warehouses into the retail network so that the buyers will be able to select the desired styles from a greater variety of products.

[Question] In light of the fact that best possible estimation of the shoppers' tastes and preferences is a basic condition of proper supplies, what are the measures that will be taken so that the contracts concluded between trade and industry may best possibly reflect these preferences?

[Answer] We are concerned with upgrading the contracting system for the purpose of using prompter and more cost-effective approaches, designed to permit ampler consultation of buyers, a more direct reception of their views, including presentation of the goods prior to contracting, within the framework of local shows. For this year's contracting, as a result of consulting with the councils of consumers' representatives and the broad mass of buyers, we have supplemented the trade units' requests for certain goods (compressor refrigerators, detergents, tires, ceramic tiles, electric batteries, and so forth); for furniture, contracts involve an amount of goods that was renewed 35 percent; in the sectors of garments, knits, footwear, haberdashery and leather items, contracts involve a great number of new and modernized styles. Even though the contracts assure adequate quantities for most products requested, for some items we are awaiting the supplementation of the offer of industry in the context of supplemental deliveries specified by the party and state leadership for 1981.

Because the success of trade activity -- not only at the time of contracting but throughout the year and in all its compartments -- depends largely on the cooperation of trade agencies with the population, we will more broadly use the democratic bodies for consulting the public in order to obtain the shoppers' views and suggestions and take the most effective measures possible. The direct dialog with the people -- through surveys, through buyers' magazines, and at get-togethers with the public -- broader ties with deputies, with the permanent commissions of people's councils, and with the control teams of working people, the ampler cooperation with the councils of consumers' representatives, and adoption of the suggestions put forward in the context of "Forums of Democracy," will permit us to take swifter action in the process of assuring supplies and also take overall steps in structuring the trade network, the store profile, the assignment of the amount of goods, and the expansion of units' specialization so that the entire merchandise may be displayed, in terms of styles, sizes, colors, and so on.

[Question] Are there also projects for training trade personnel?

[Answer] Our wish is that 1981, the first year of the five-year plan of quality and efficiency may bring about a radical improvement in the quality of work throughout trade activity. We will take more effective measures for the training and advancement of cadres in the network of our ministry. In 1981, 4,000 students will graduate from trade schools and 43,000 workers will attend advancement courses; we will step up our guidance and supervision programs, drawing more workers from our ministry, from the county trade directorates and local trade enterprises in the practical activities of the subordinate units; we will intensify political-educational work for the purpose of reinforcing order and discipline among the personnel and of educating them in the spirit of socialist ethics and equity, of strict compliance with the socialist laws, for developing consideration and a civilized attitude toward buyers.

These are only a few of the measures which we have planned for this year, measures that will undoubtedly result in the overall upgrading of trade activity and, consequently, in the overall improved supplies to the population. The trade workers are determined to make every effort and work with devotion and a spirit of high responsibility in order to assure, in accordance with the plan and the programs endorsed, the satisfaction of the people's needs for goods, aware as they are that in this way they will do their share in implementing the party policy and the the decisions of the 12th Congress on continuously improving the people's standard of living.

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CSO: 2700

DEVELOPMENTS IN FORESTRY ECONOMY, CONSTRUCTION MATERIALS INDUSTRY

Bucharest ROMANIA LIBERA in Romanian 16, 17 Dec 80

[Interview with Ioan Florea, minister of forestry economy and construction materials, by M. Radian]

[16 Dec 80, pp 1, 3]

[Text] [Question] Your ministry is in charge of the nation's forests, and it is the ministry that processes wood and supplies furniture as well as various construction materials we need in everyday life. And so one of the first questions I would ask you to answer, dear comrade minister, is what the five-year plan we are finishing has meant to development of the forests and of the sector in meeting the requirements of the citizens and the national economy.

[Answer] I can state with all certainty that thanks to the dedicated work of all personnel of the sector, the five-year plan has constituted a higher stage of intensive development for our sector signifying a qualitative leap in exploitation of Romania's raw materials and materials. We fulfilled the provisions of the 1976-1980 Five-Year Plan 100 days early, and we have pledged to produce 19 billion lei of above-plan output by the end of the year, thus exceeding the additional task approved by the National Party Conference by 5 billion lei. We shall also exceed the five-year plan provisions by more than 2 billion lei in foreign exchange for export, 700 million lei of forest output and 7,500 hectares of afforestation.

[Question] How were the tasks in the Directives of the 11th Party Congress implemented in products? We would appreciate some comparative examples of various products.

[Answer] We have exceeded the five-year plan provisions in some products important to the national economy like lumber (1,067,000 cubic meters above plan), asbestos cement plates (6,943,000 square meters above plan), asbestos pipes and couplings (3,399 km above plan), plastic construction materials and elements (11,939 tons above plan), prefabricated reinforced-concrete products (129,000 cubic meters above plan), machinery and equipment for construction materials (48,000 tons above plan), etc. The output of fiberboard and chipboard rose from 826,700 tons in 1975 to 1.05 million tons in 1980, providing for better exploitation of the raw materials and materials. Our furniture output this year is equal to the entire one produced over a 30 year period (1938-1968), or a per capita output this year of 2.5 times more furniture than in

1970 and over 200 times more than in 1938, while 1.5 times more paper and cardboards have been produced than in 1970. Per capita production of cement comes to 700 kg this year compared with 542 kg in 1975 and 33 kg in 1938, making Romania one of the world leaders in this field. The 1938 cement output is equaled in only 15 days today. And finally, the volume of prefabricates is steadily growing and will reach 3,388,000 cubic meters by the end of 1980 compared with 821,000 cubic meters in 1970, helping to intensify industrialized construction.

Question What changes in the assortment structure are to be noted in the sector's output? Are the demands of the economy, the domestic market and the export trade being met more adequately? Are light, cheap and high-quality prefabricates with a high degree of interrelation and better finishing being produced in the proportion required by the 11th Party Congress? How about manufacture of plastic construction materials and the products with better characteristics and intensive processing, and production of higher quality furniture? How far have you tried to increase the proportion of paper and cardboard weighing less per unit of square measure, and to increase and diversify the output of technical paper?

Answer That is not a question, but a series of questions. But I shall try to answer you because they concern a problem that is essential to the national economy and has also been an absolute priority for us. On the whole we can say that thanks to the steady efforts of the sector's entire personnel, the tasks assigned by the 11th Party Congress and the requirements of the domestic market and export trade have been fulfilled to a greater extent.

In the prefabricates industry, on the basis of the decisions of the 11th Party Congress concerning constant concern for the individual, Party Secretary General and President of Romania Nicolae Ceausescu has called for faster housing construction, apartments with more conveniences, more useful space, durable structures of light materials highly resistant to earthquakes, further industrialization of housing construction, improved construction and especially finishing, diversified production of construction materials, and introduction of characteristic Romanian architecture. To this end, in 1977 the Permanent Bureau of the Executive Political Committee approved a Program for Development and Modernization of Production of Prefabricated Reinforced Concrete Sections through modernization of the 55 existing units and construction of 60 new capacities, thus providing for intensified industrialization of housing construction and complete satisfaction of each county's requirement.

The output of large sections was increased by nearly 6 times, from 435,000 cubic meters in 1975 to 2.6 million cubic meters in 1980. Casting of decorative facing sections has begun, most of them with decorations inspired by folk art. It has also been planned to reduce the sizes of some types of prefabricates, with lower inputs of cement and steel for concrete, without weakening them.

In the wood-processing industry we have assimilated production of new types of furniture for homes and social-cultural buildings that are very comfortable, multipurpose, in a wide assortment of standard sizes and finishes to suit the buyers' tastes, and highly competitive on the foreign markets. The pulp and paper industry has assimilated 47 new varieties of technical paper and cardboard, including cardboards for transformers and paper for electronic computer printouts. The effort has been continued to reduce the weight of the paper, and an average weight of 64 grams per square meter has been obtained this year as compared with 65.6 grams per square meter in 1978.

An additional 244 million square meters of paper has been obtained this way from the same quantity of raw material.

Question What progress has been made in replacing cement with new construction materials (tuffs, limestone, gypsum, ashes)? What new materials have appeared?

Answer In pursuance of the party secretary general's directives we have begun to use some construction materials that will partially replace cement and concretes. Beginning this year we are exploiting and using locally extracted materials in construction like natural river rock and volcanic tuffs. We can conclude from the results obtained that more of these light materials will be used in the total materials for masonry. And steps have already been taken this year to prepare production of the elements for gypsum walls, to begin in the second quarter of 1981. It is planned to produce 350,000 square meters of these elements in 1981, and the volume is to be steadily increased in the next five-year plan. Also to meet the requirement to reduce cement consumption, ashes from heat and electric power stations are being used as an additive in manufacturing cements and preparing concretes for worksites.

By increasing the output of steamed porous concrete and the proportion of varieties of cement with increased additives, we shall use 5 times more ash from heat and electric power stations in 1981 than in 1979, 21.5 percent more granulated blast furnace slag and 37.2 percent more expanded blast furnace slag.

Question What is the technical level of the sector? What progress has been made in applying new technologies that are more efficient as regards labor productivity and consumption of raw materials, materials, electric power and gases?

Answer Our main objective in introducing technical progress has been and still is assimilation of new products with better performances both to enhance economic effectiveness and to considerably reduce imports. The proportion of new and redesigned products at the close of this five-year plan is 31.5 percent. Outstanding progress has been made at the Wood Processing Central, where this proportion has reached 49.5 percent.

All the new products were assimilated on the basis of our own research and technical effort without resorting to licenses. By placing these products in manufacture we avoided imports in free currencies to the value of about \$586 million, of which technical papers alone amount to about \$70 million and equipment amounts to about \$104 million.

But it must be said that in the case of some products, in the field of machine building especially, preparations for manufacture as well as the check on the manufacturing process in progress were unsatisfactory, so that some equipment was delivered with some defects. Other products were assimilated very late or unsuccessfully (the Colina 5 tractor with an articulated chassis and the vibrating presses for blocks). This is because the institutes and centrals do not always check the new products continuously from design to manufacture and with the performances specified in their own designs and studies.

As for the other main objective of technical progress, namely reduction of specific consumption of raw materials and materials and especially of fuels and energy by instituting new technologies, modernizing the existing ones, and assimilating varieties incorporating low energy inputs, we have succeeded in obtaining some important results. In this five-year plan energy inputs were reduced by 26.4 percent for

furniture, by 15 percent for PAL [chipboard], by 26 percent for lumber, by 8 percent for paper pulp, by 5 percent for paper, by 11.7 percent for cement, by 36 percent for concrete prefabricates, by 23 percent for unfinished ceramic products, and by 17 percent for sanitary articles. Energy inputs per gross output have decreased over 15 percent in the last 5 years.

Question How have the sector's exports developed in the five-year plan? What proportion are they of the sector's total output? How far has their structure been improved? How do you rate the growth of their effectiveness in the last few years? With how many countries do we have trade relations?

Answer Our ministry completed its value plan task specified in the five-year plan by 26 July 1980, and by the end of the year it will obtain over 2 billion lei in foreign exchange above the plan provisions.

The value of the exports was enhanced by the improved qualitative structure of the varieties, which raised the effectiveness of the foreign exchanges by about 38 percent from 1975. The proportion of exports in the total output increased annually, reaching 30 percent of the total commodity output in 1980, while furniture, the most representative product, even reached 47.3 percent of the total output of this item.

The ministry now conducts foreign trade with 91 countries compared with 64 in 1975.

Question Have you produced at higher or lower cost in this five-year plan?

Answer Lower of course, and this is illustrated by the evolution of outlays per 1,000 lei of commodity production, and index that summarizes the effectiveness of development of production in enterprises, centrals and the whole ministry. In every year of this five-year plan the outlays per 1,000 lei of commodity production were down by 13-19 lei from the previous year.

The said reductions in the outlays were obtained in several ways, including more intensive exploitation of raw materials, materials and energy resources and constant improvement of the quality and standard varieties of the output, manifested in higher average prices for it. But the main way was reduction of the unit costs of the main products manufactured in the ministry's enterprises. The above-mentioned reduction of the total outlays per 1,000 lei was also obtained by annual reduction of the material outlays, which were between 2.80 and 11.90 lei per 1,000 lei per year.

It can be said that introduction of the new economic-financial mechanism, and its index of "commodity production" especially, aided the evolution of the material outlays. While in 1976 and 1977 material outlays were recorded that exceeded the levels specified in the five-year plan by 8.60 and 3.30 lei respectively per 1,000 lei, savings were made below the planned level in the last few years, so that finally the material outlays per 1,000 lei made in 10 months of this year are 7.30 lei per 1,000 lei less than those specified in the 1980 Five-Year Plan (in comparable prices).

I would add a few considerations to this. The quality tasks assigned for 1980 in the five-year plan, or the proportion of higher quality products in the total commodity output, were already fulfilled in 1979, since the index reached in 1979 in the wood exploitation and processing sector was 69.3 percent compared with the 69 percent specified in the 1980 Five-Year Plan. In the construction materials sector it reached 88.4 percent compared with the 85.2 percent specified for 1980.

The indices attained in raw material exploitation were also higher than the five-year plan tasks. For example the value of the commodity output obtained from 1 cubic meter of timber was up 89.5 percent in 1980 from 1975, that from 1 ton of pulp was up 31 percent, and that from 1 ton of cement was up 16.3 percent.

[17 Dec 80, p 3]

[Text] [Question] What, comrade minister, are the main objectives and trends of the sector and of its various subsectors in the 1981-1985 Five-Year Plan?

[Answer] High proportions and rates were set by the decisions of the 12th Party Congress, but we shall not discuss them now because they are still subject to analysis by the higher party and state administrations. But it is clear that our sector will be assigned heavy tasks, greatly augmented to adequately meet the demands of the investment program, the public and the export trade.

Our chief goal in the next five-year plan will be to produce more construction materials with lower inputs of materials and energy as well as lighter and more efficient materials through fullest use of local resources and all reusable materials. Cement is to be produced almost entirely by the less energy-intensive dry process, and manufacture of the varieties with additives of slag and ashes from heat and electric power stations is to be expanded. Use of volcanic tuffs, soft limestones and other cheap resources will be expanded in the manufacture of materials for masonry, and the output of light ceramic blocks will be doubled. Production of reinforced concrete prefabricates with a high degree of integration and finishing will be developed.

The wood processing and exploiting industry will be developed mainly through intensified exploitation of timber. We shall emphasize growth and diversification of the output of furniture and other finished wood products, especially the varieties with a high degree of processing and competitive power on the foreign markets.

In the pulp industry the entire production increase will be obtained from chemical pulp to provide for manufacture of artificial threads and fibers. We shall also intensify exploitation of the raw materials, providing for more pronounced growth of production of technical and special papers and cardboards. As you see the main goals are technical level, quality and effectiveness.

[Question] I agree with you. In particular, what can you tell us about the 1981 plan? What are the main problems confronting the sector? How far is it affected by the world economic crisis and the condition of the world market?

[Answer] In 1981 the industrial output of the Ministry of Forestry Economy and Construction Materials will be up 5 percent from 1980, while the net output will be up 6.8 percent. A 9 percent gain has been set for labor productivity, computed on the basis of the value of the net output, over the expected results in 1980. Exports will be up 38 percent in 1981 compared with the estimates for the current year.

The investments planned for 1981 amount to 7.5 billion lei and are aimed at a correct ratio between the investment projects under construction and those to be started.

For the ministry, the outlays per 1,000 lei specified in the state plan for 1981 represent, in terms of comparable prices and wages, a reduction of 12.30 lei per 1,000 lei in the total outlays and one of 7 lei per 1,000 lei in the material outlays.

We can state that the proposed levels for the approximately 260 distinct varieties included in the draft plan for 1980 meet the needs of the national economy for forestry products and construction materials, supplement the deliveries for export and provide the necessary reserve supplies.

[Question] How will these increases in physical production be accomplished?

[Answer] There will be major increases over 1980 of 18.7 percent in furniture, 18.9 percent in bituminized waterproofing products, 11.1 percent in porcelain sanitary articles, 38.1 percent in musical instruments, 36.7 percent in gypsum, 7 percent in materials for masonry, 7.5 percent in bca [expansion unknown] products, 3.2 percent in reinforced concrete prefabricates, 6.1 percent in cellulose and hemicellulose, and 7.7 percent in paper.

Of course in order to fulfill these tasks assigned us in the 1981 plan we shall have to find solutions to a number of complex and difficult problems. We must take very decisive action for regular implementation of the production processes and for more intensive use of the existing production capacities in order to fulfill the physical production plan quantitatively and in the assortment structure.

We must perfect the manufacturing methods in order to reduce the inputs of raw materials, materials, fuels and energy and we must intensify their exploitation. We must make a more determined effort toward better and complete exploitation of timber, intensify chemical treatment of wood to obtain highly valuable products and substitute fuels, and provide for complete contracting for export products for purposes of their priority manufacture in the quality demanded by the foreign partners. In this way we can avoid the effects of the world economic crisis and of foreign market conditions, which are not very promising but the reverse.

[Question] It would be of interest to our readers if you would present for a start some data on the methods of transfer to the new quality decided upon by the 12th Party Congress.

[Answer] The workers in our sector are firmly resolved to carry out the assignments of the 12th Party Congress and the party secretary general's directives for better exploitation of raw materials, materials, fuel and energy. Our whole plan was structured for this purpose with special emphasis upon its qualitative aspects through improvement of the production structure, restriction of energy-intensive products, manufacture of products by modern methods consuming less raw materials, materials, fuel and energy, better exploitation of the raw materials, and use of reusable materials.

The wood exploiting and processing industry will be developed chiefly by more intensive exploitation of timber, producing in this way an additional output in 1981 of 2 billion lei over 1980, and by increasing the proportion of finished products in the total output by 4.5 percent in 1981 from 1980, in which furniture production alone will be up 18.7 percent.

In the construction materials industry, the varieties included in the plan have been correlated both with the construction-installation output for industry and with the requirement for implementing the housing construction program. The output of prefabricates for housing will be up 17 percent in 1981 from 1980 and, what is highly important, it will have a high degree of finishing. Moreover, the increased production of steamed porous concrete (by 7.5 percent) and the higher proportion of varieties of cement with increased additives provide for more intensive exploitation of ashes

from heat and electric power stations (consumption of which will be 4 times greater than in 1980), granulated blast furnace slag (7.7 percent more) and expanded blast furnace slag (14.2 percent more). Also, in order to lower the energy inputs it is planned to raise the proportion of cement made by the dry process to 80 percent.

It is planned to increase chemical pulp production by 5.9 percent from 1980, raising its proportion in the total pulp output. I consider it noteworthy that the value of the products obtained from 1 ton of paper pulp will be increased by 8.4 percent if 41.5 percent of the papers and cardboards consumed in Romania in 1981 are recovered (for exploitation purposes).

The machine building industry has been assigned major tasks to provide the system of machines, installations and equipment to reduce imports. Moreover the output of spare parts will be increased by 19 percent in 1981 from 1980 to meet the ministry's requirement for spare parts.

Question How much of the production increases in 1981 will be provided by the new capacities that will be activated or will attain their planned parameters this year or early next year? Does this mean that a number of enterprises will have time to modernize and automate the processes, improve production and labor organization, raise the technological level of the processes and improve product quality?

Answer In 1981 only 5.6 percent of the volume of production increases will be provided by the new capacities that will be activated or will attain their planned parameters next year. Therefore 1981 is to be a year of general growth of enterprise organization and effectiveness. Emphasis will be placed on modernization of existing enterprises in order to make considerable savings in fuel, raw materials and materials allowing for maximum recovery of secondary resources. We are trying to modernize the existing technologies to obtain greater effectiveness not only in product quality but also in the material outlays with which the products are obtained, and these technologies will be based upon machines, equipment and apparatus made in Romania and we shall resort to imports only in exceptional and well-justified cases.

Question What new products will appear next year? Will the citizens find more of the products that are harder to find today?

Answer In general our output will undergo intensive renovation in 1981. Noteworthy among the new products are mechanically decorated pottery plaques with new, hand-decorated models, new models of sets of porcelain sanitary articles for bathrooms, new models of semiwashable wallpapers including silk imitations, new models of skis, new and better looking models of fittings for interior sanitary installations, incorporating less metal and nickel-plated or combined with plastics.

In order to meet the needs more fully, a 21 percent increase from this year in production of furniture for the public is specified for 1981. We shall take steps to improve the quality of the furniture, the models and the sizes to make it more suited to the rooms in the present housing constructions. The proportion of the output of upholstered furniture will also be increased.

Sales of cement to the public will be up 6.3 percent from 1980, and the volume of sales of materials for masonry to the public will be considerably increased, namely by 37 percent.

[Question] What will be done to consolidate the new economic-financial mechanism, self-management and self-administration?

[Answer] We have instituted a definite program for this purpose, whereby we shall continue to arrange instruction and exchanges of experience with the centrals and enterprises in which we shall discuss the main points concerning the operation of the new mechanism. We shall arrange trips to the enterprises in economic difficulties and lend them real aid in establishing programs to meet the economic-financial indicators and in drafting and checking the implementation of the budgets of incomes and outlays.

We shall also check the efficiency of the effort to improve regulation of costs and to introduce preventive economic control, which are important means of lowering production costs and realizing the incomes specified in the budgets of incomes and outlays.

[Question] What plans do you have to reduce specific consumption of raw materials, electric power, methane gas and fuels?

[Answer] As I said before, we made major reductions in 1980 in specific consumption of the main products that are in large proportions in consumption. Compared with 1975, consumption of conventional fuel per unit of output was down 28.7 percent for wooden furniture, 13.5 percent for chipboard, 18.5 percent for fiberboard, 9.0 percent for cement, 11.4 percent for lime, and 41.8 percent for reinforced concrete prefabricates.

A number of major objectives are specified, especially in the machine building industry and the pulp and paper industry, which are heavy consumers of energy. For instance, we shall lower specific consumption in the existing factories to the level of the best results by readjusting or modernizing technologies, modernizing the fine ceramics kilns, reducing the heat treatment in the prefabricates industry, etc.

Meanwhile we shall reduce the outputs of some energy-intensive materials and replace them with others incorporating lower energy inputs (We shall reduce the outputs of bricks and ceramic blocks and develop production of masonry blocks of slag, industrial wastes, steamed porous concrete, natural rock etc.), we shall develop production of sheet-iron radiators and sanitary articles, we shall manufacture varieties of paper of lighter weights, and we shall increase consumption of waste paper in paper manufacture.

We shall also make more use of the new energy resources (geothermal and solar) and expand natural drying of timber as well as the number of installations of small hydro-electric power stations for use of the potential energy of small watercourses etc.

We shall recover secondary energy resources to a greater extent than in 1980, on the basis of a program designed to maximize recovery of potential secondary energy resources by the end of the next five-year plan. If the study being completed at the Institute of Scientific Research and Technological Engineering for Power Equipment and Rolling Stock produces methods of recovering heat from the exhaust gases of clinker furnaces by the wet process, in 1985 we shall have methods and equipment to recover all the secondary thermal energy resources for which there are no methods now.

In conclusion, when you inform public opinion of our plans I would like you to report the pledge of the sector's entire personnel to make an efficient, disciplined and resolute effort to implement them all so that from the first year of the five-year plan the new quality will be apparent throughout our entire activity.

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CSO: 2700

EMPLOYMENT STATUS, PLANS, IN CROATIA

Belgrade KOMUNA in Serbo-Croatian No 12, Dec 80 pp 16-18

[Article by Milan Puskaric: "Employment and Hiring in Croatia"]

[Text] According to the estimate of the Republic Bureau for Planning, the population of Croatia in 1979 was about 4.6 million. The working portion of the population (males from age 15 to 64 and females from age 15 to 59) comprised 3.08 million or 66.96 percent of the republic's total population. However, proceeding from the general patterns of formation of the labor supply, the possible work force in the republic in 1979 was about 2.3 million employed working people, and it was distributed as follows:*

1,336,916 persons were working in the public sector, 33,016 were employed by private employers, 25,752 were self-employed tradesmen, 5,249 were self-employed hostellers, 8,011 were self-employed carriers, and 5,656 were self-employed artists, lawyers, etc. The remainder of the gainfully employed population (working farmers, family members who helped them, housemaids, workers employed abroad temporarily, and others) amounted to 885,410, which makes a total of 2.3 million.

The remainder of the Croatian population consisted of the following: 507,084 elementary school students, 192,650 secondary school students, 53,937 fulltime university students, 456,864 pensioners, about 1,012,428 children under age 6, housewives and other dependents, and finally 77,037 registered unemployed workers.

It is evident from this survey that in 1979 about 2.3 million working people, or 50 percent of the total Croatian population, were working and earning income, though official labor statistics attribute the status of employed workers to only 1,414,590. In view of all that these figures should be taken into account in estimating the employment level of the population not only in Croatia, but throughout the country at all levels because there is a high degree of gainful activity not included in regular demographic and economic statistics on manpower.

* Estimate of the Croatian Republic Self-Managed Community of Interest for Employment Security.

Employment and New Jobs in Croatia in the 1976-1980 Period

The social plan for development of the Socialist Republic of Croatia covering the period from 1976 to 1980 envisaged that employment in the republic would increase at a rate of 3 percent, which was supposed to afford a total growth of employment of about 200,000.

Thanks to overall trends in the republic employment has grown faster than was planned, so that during the first 4 years of the planning period employment increased by 204,400. It rose, then, at a rate of 4.2 percent. This made it possible to fulfill the medium-term plan for new jobs in the republic in 4 years. On the average the total number of employees in the public and private sectors in 1979 was 1,414,590, 1,336,916 in the public sector and 77,674 in the private sector.

In addition to the public sector, we must develop still more activities based on self-employment in the coming period so as to meet both the needs of associated labor and also those of the public at large and at the same time to facilitate productive employment of a portion of the unemployed.

The favorable trends in employment which we achieved in the period 1976-1979 have continued, in spite of a number of difficulties, in 1980 as well.

The trend of employment in the republic (according to data of the Federation of Worker Health Insurance Communities and of SI2 [self-managed communities of interest] for old-age and disability insurance of self-employed tradesmen, hostelers and carriers in Croatia concerning the trend in the size of the labor force) has been as follows in the public and private sectors when the status as of 30 June 1979 is compared with that of 30 June 1980:

| | Sector | | Total |
|---|-----------|----------------------------|-----------|
| | Public | Private (self-employed) | |
| Number of gainfully employed insureds in Croatia: | | | |
| Number of gainfully employed insureds: | | | |
| 30 June 1979 | 1,477,257 | 37,617 | 1,514,874 |
| 30 June 1980 | 1,529,576 | 40,291 | 1,569,867 |
| Growth by comparison with 30 June 1979: | | | |
| Absolute number | 52,319 | 2,674 | 54,993 |
| Index number (2:1) | 103.5 | 107.1 | 103.6 |

This growth of employment (54,993 workers as of 30 June 1980 by comparison with the same date in 1979) made it possible to employ almost all the young

workers who in the second half of 1979 and the first half of 1980 reached working age and intended to take employment (65,000).

Persons Seeking Employment

Since employment has grown faster than planned, the number of persons seeking employment decreased in the republic between 1976 and 1980. The rate of unemployment has been lower and lower each year. This is shown by the table below:

| | <u>Average Annual Number of Unemployed</u> | <u>Chain Index</u> | <u>Average Number of Insureds Employed in Public and Private Sectors</u> | <u>Unemployment Rate (1x100:3)</u> |
|-----------|--|--------------------|--|------------------------------------|
| 1976 | 83,449 | -- | 1,292,846 | 6.4 |
| 1977 | 87,786 | 105.2 | 1,366,374 | 6.4 |
| 1978 | 82,922 | 94.4 | 1,440,216 | 5.7 |
| 1979 | 77,037 | 92.9 | 1,505,862 | 5.1 |
| 30 Jun 80 | 70,504 | 91.5 | 1,569,867 | 4.5 |

The number of unemployed in the republic dropped from 82,449 to 70,504, and the rate of unemployment from 6.4 to 4.5; on 30 June 1980 it was lower in Croatia than in most advanced countries. The rate of unemployment in July 1980 was, for example, 8.4 percent in Belgium, 7.8 percent in Italy, 7.7 percent in the United States, 7.3 percent in Great Britain, 5.8 percent in France, or in the EEC 6.1 percent of the total labor force employed in the EEC.*

However, in spite of the 70,504 people who are still unemployed in the republic, organizations of associated labor did not manage to fill all job vacancies in 1979. Thus at the end of September 1979 10,405 job vacancies remained unfilled for an indefinite period in 6,445 organizations of associated labor in Croatia. Most job vacancies were for skilled and highly skilled workers--5,336, or 51.3 percent, and they were followed by job vacancies seeking higher education--1,878, or 18 percent of the total number.

The job vacancies for skilled and highly skilled workers which were not filled included the following: 1,114 carpenters, 547 masons, 246 reinforcing-rod fitters, 241 mechanics, 157 cabinetmakers, 113 cooks, and so on, and the unfilled vacancies for people with higher education included 224 graduate economists, 270 graduate lawyers, 163 graduate mechanical engineers, 73 physicians in general medicine, and so on.

Job vacancies remained unfilled in the following opstina communities: 2,041 vacancies in the Zagreb City Community of Opstinas; 2,654 in the Rijeka Community of Opstinas; 1,529 in the Split Community of Opstinas; 1,614 in

* According to the data of EUROSTAT, Statistical Office of the European Economic Community.

the Osijek Community of Opstinas; and in the following opstina communities: Zagreb 577, Bjelovar 524, Varazdin 496, Karlovac 297, Gospić 200, and Sisak 493.

There were several reasons for the unfilled vacancies, of which I single out only a few:

- i. in the particular area of the republic the demand and the supply are not matched;
- ii. in some organizations of associated labor provisions are not made to encourage and guarantee the geographic mobility of workers;
- iii. some unemployed workers do not want to undertake retraining though they know there is no opportunity for employment in their occupation;
- iv. the system of remuneration, particularly for production work, is not adequate in view of the working conditions;
- v. some of the unemployed workers do not want to move to another town;
- vi. the system of worker education is not in line with the needs of associated labor, and personnel planning has been neglected by a majority of organizations of associated labor.

If we wish to guarantee that job vacancies are filled, we must show more responsibility in correcting these shortcomings.

How To Provide Workers To Meet the Needs of Associated Labor

To the end of furnishing the workers to meet the needs of associated labor, so that the process of social reproduction takes place without hindrance, so that job vacancies are full and so that the unemployed are provided jobs more quickly, we must seek solutions in the spirit of the resolutions adopted at the 11th LCY Congress and at the Eighth Congress of the League of Communists of Croatia and direct efforts along several lines, for example:

a) OUR [organizations of associated labor] and sociopolitical communities should devote more attention to personnel planning. These plans should become integral parts of annual, medium-term and long-range plans for socio-economic development of OUR and sociopolitical communities. Up to now little attention has been paid to the planning of personnel in most OUR. This is confirmed by the data of a survey which in September 1979 covered 6,445 OUR, or 70 percent of the total number in the republic. Only 3,377 OUR, or 52.4 percent, of the OUR surveyed had annual personnel plans, and only 959 OUR, or 30.4 percent, had medium-term plans.

Since we are now in the phase of adopting development plans covering the period 1981-1985, they should also contain the need for personnel as a contribution to greater success in carrying future development and stabilization at all levels in the republic.

b) OUR should furnish funds for the personal and social standard of living of secondary and postsecondary students who agree to adjust their education to the needs of associated labor, and they should meet their personnel needs through direct relations both with secondary and postsecondary students and also with OUR which in an organized way are furnishing housing and meals to secondary and postsecondary students. The resolutions adopted on 25 September 1980 in meetings of all chambers of the Croatian Assembly will also contribute to this orientation.

c) A system of remuneration according to work and the results of work should be built up which in view of the results of work and working conditions will put a higher value on the work and results of work of workers in production proper.

d) The social compact should be enforced more consistently with respect to the question of who is regarded as unemployed. If this is to succeed, criteria will have to be agreed on at all levels in the country so that the effort will be undertaken with clear criteria and the goals which we wish to achieve.

e) There should be consistent implementation of the resolution of the Eighth Congress of the League of Communists of Croatia which pertains to more uniform development and location of the productive forces in the republic in places where there is enough live labor, where there are no problems in providing housing for workers, where the principal facilities representing the social standard of living and the infrastructure have already been provided. This kind of orientation in development is socially justified and optimal. If this approach is not taken, tomorrow we will be compelled to send the workers from those regions to the cities and solve the problems of the personal and social standard of living for them. At the same time we will have to bolster resources for solidarity at the level of republics so that funds invested in projects (facilities of the infrastructure and the social standard of living) in those regions which do not have a developed physical foundation are applied to their purpose.

f) OUR should create working conditions and living conditions which will ensure geographic mobility of workers, and SZ for employment security, together with OUR and on the basis of the programmed needs of OUR, shall provide for the retraining of workers, especially those who have no chance of finding employment in their occupation on the basis of development plans for the coming period.

Certain Aspects of Hiring and Employment of Yugoslavs for Temporary Work Abroad

Since Yugoslavs working abroad temporarily are an integral part of our self-managed socialist community of Yugoslavia and of our working class, the Socialist Republic of Croatia and the SFRY were the first in Europe to set forth a Program of Measures and Actions for Organized Gradual Return of Yugoslavs From Temporary Employment Abroad, which was adopted in 1977.

Thanks to the successful development of our republic and indeed of the entire country, fewer and fewer people are going abroad for temporary employment, and there are more and more people returning and taking productive employment.

Whereas 18,111 people from Croatia went abroad for temporary employment through SIZ for employment security in 1971 alone, in the 4-year period between 1976 and 1979 only 8,925 people went abroad for temporary employment, and in the first 6 months of 1980 only about 500 persons did so.

In the 1976-1979 period about 60,000 of our citizens returned to the republic from temporary work abroad; of that number 17,943 registered with SIZ for employment security, and 11,675, or 65 percent of those registered, found employment through them. In the period January-April 1980 1,683 returnees registered, and 1,203 found employment, which is 71.5 percent of those who registered.

At the end of June 1980 records of SIZ for employment security showed that 4,509 returning workers were unemployed in the republic, 75.4 percent of whom were returning unskilled and semiskilled workers. The difficulties in finding jobs for these workers on their return are similar to the problems which also pertain to the other unemployed workers in our republic.

In spite of all the difficulties, we want to stress that in the 1976-1979 period and during 1980 we have achieved constructive developments in the area of external migration. However, when we evaluate trends in the field of external migration, we must always bear in mind that the decision to go abroad for temporary employment has been made by the worker himself and that he will make the decision when to return to the country.

Yet we can speed up the decision to return. The decision depends on the determination of the workers themselves, but also on our real capabilities for their productive employment in the country, on the level of our organization to provide them as well with supplemental education to meet the needs of our OUR rather than the job market.

For all these reasons the Croatian Assembly decided that plans for socio-economic development covering the period 1981-1985 should at all levels in the republic include the possible organized gradual return of our people from temporary employment abroad and their productive employment both in the public and also private sectors in the republic.

Possible Trends in the Creation of New Jobs in Croatia in 1981

According to the first assessments of the possible socioeconomic development of Croatia in 1981, and taking the policy of stabilization as the point of departure, it is thought that it is possible to increase employment in the republic by about 2-2.5 percent.

If the assessments are borne out, room is being created in the republic for employing about 35,000 workers in the public and private sectors. When we add to this the approximately 32,000 jobs which will be vacant because of workers retiring from work, in 1981 there are possibilities for hiring about 67,000 workers, which would be able to employ the generation entering working age, a portion of the returnees from temporary employment abroad and also a portion of the workers now unemployed.

In any case there will be a need in 1981 and over the coming 5 years to direct more efforts in this direction so that those now employed create conditions for productive employment of the generation reaching working age so that they will also be able to exercise the right to work with the resources of society and thereby, on the basis of their work, ensure themselves and the members of their family economic and social security.

7045

CSO: 2800

AIRLINE PERSONNEL DISCIPLINED FOR WORK STOPPAGE

Belgrade BORBA in Serbo-Croatian 16 Jan 81 p 5

[Text] On 15 January the JAT (Yugoslav Air Transport) OOUR (basic organization of associated work) for flight operation discussed with journalists the problems and successes of this collective last year. It seems that the main reason for this meeting was employee dissatisfaction with the "sensationalist and partially untrue articles in the press," especially recently regarding events in this OOUR.

At the insistence of journalists regarding what had happened over the New Year holidays when four flights were cancelled on 2 January and eight flights were late, people from this collective replied that the reason was the fact that the stewards and stewardesses for these flights did not come to work.

Disciplinary procedures have been initiated against 38 workers, while 11 stewards and stewardesses and three supervisors of their sector have been temporarily suspended because of the "well-founded suspicion that they had unjustifiably remained off the job." They brought enormous material damage to their OOUR, because four flights were cancelled and JAT had to provide hotel lodging for many passengers.

A disciplinary commission is now trying to establish the responsibility of the workers against whom action has been initiated, and tomorrow the workers council of their OOUR will discuss this.

CSO: 2800

BRIEFS

TRADE UNION STATISTICS--Although the latest "trade union statistics" are composed from 1979 data, a recent meeting of the presidium of the SSJ (Trade Union Federation of Yugoslavia) governing council discussed them at a recent meeting. They clearly showed some negative tendencies in organizational ties and in the make-up of trade union leadership. Although the number of basic SSJ organizations "automatically" grew to 46,500 by the end of 1979 parallel with the forming of new basic organizations of associated work, possibilities were not used everywhere to form several basic trade union organizations within one basic organization of associated work. In addition, the number of trade union sectors or groups (45,820) as a form of the closer manifestation or interpretation of employees' interests within a basic SSJ organization, is not only less than the number of basic SSJ organizations but their distribution in republics and provinces is uneven. Of the total number of such groups, Slovenia has about 45 percent, Bosnia-Herzegovina about 26 percent, while the other republics and provinces account for about 30 percent. The data also shows that the proportion of workers in the SSJ organs is declining, although the resolution of the 8th SSJ Congress stressed the obligation to create a workers' majority in these organs. In 1976 about 44 percent of the employees in the SSJ organs had workers' qualifications, while in 1979 this percentage had fallen to 40, although workers account for 65 percent of the total employed persons in Yugoslavia. Engineers, technicians, economists, lawyers, and other specialists make up about 15 percent of the total work force, but account for about 42 percent of those employed in SSJ organs, or more than the percentage of workers. Negative tendencies are also to be noted in the "vertical" linking of the SSJ organizations. With the increase in the level of leadership, the number of those [in leadership or supervisory positions] with workers' qualifications has fallen. For instance, in the opstina SSJ councils they account for about 43 percent, while on the federal SSJ council level, they account for 34 percent. All indications are that data for this year will not be radically different from that of previous years, especially regarding cadre policy. If the next SSJ elections are not seized as a chance to check these "unfavorable tendencies," the social-class structure of our trade union leadership could be brought into question. [Excerpt] [Belgrade KOMUNIST in Serbo-Croatian 9 Jan 81 p 3]

AGRICULTURAL PLAN UNFULFILLED--Although the final data on the 1976-80 plan in agriculture and the food industry are not yet known, it can be said that the plan was not met. The average annual rate of growth for agricultural production was not more than 1.6 percent instead of the planned 4 percent, largely because of the poor 1980 results which showed a 3-percent decline in crop production (a 4-percent decline on private farms but a 5-percent increase in the socialized

sector). According to estimates, the average rate of growth in crop production will be only 0.4 percent instead of the planned 4.8 percent. Livestock production also lagged behind the planned rate, with a growth of 3 percent instead of 4 percent. The food processing industry had an average growth rate of 7.2 percent (8 percent was planned). All crops deviated from the plan: annual wheat production averaged about 5.3 million tons or 88.8 percent of the planned amounts; corn averaged about 9.2 million tons instead of over 10 million tons planned (86.3 percent of the plan). Total meat production in the last 3 years was regularly over 1,250,000 tons, or only 0.2 percent less than the plan. Only 60 percent of the investments planned in primary agricultural production was realized in the last 5 years, but 94 percent of those in the food-processing industry were realized. [Excerpt] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 12 Jan 81 p 33]

ARTISAN, SERVICE JOBS IN KOSOVO--On the basis of data regarding market supply of artisan products and consumer needs for artisan services, about 8,400 new workers are needed this year in Kosovo. In the 1981-85 period nearly 3.2 billion dinars are to be invested in the socialized artisan sector while 60 million dinars are to be invested in the private sector. Special emphasis is expected to be given to developing the construction trades. The formation of new artisan workshops and contract organizations of associated work is expected by 1985 to result in the employment of about 3,000 new workers, in addition to the present 2,000 workers. Thus, great attention will be devoted to developing artisan production based on close cooperation with the [construction] industry. About 10 new facilities employing 3,677 new workers are expected to be built in this field. Intensive investment activity will also develop for cottage industries where work will be done on expanding existing and developing new capacities to employ more workers. [Excerpt] [Pristina JEDINSTVO in Serbo-Croatian 10 Jan 81 p 6]

PRIVATE LODGING--Of all private lodging facilities in Yugoslavia, Croatia accounts for 72 percent, Serbia for 11 percent, and Bosnia-Herzegovina for 4 percent. Private lodging facilities account for 30.7 percent of all lodging capacities in Yugoslavia. Private facilities have been declining, however, in Sarajevo, for instance; in 1965 there were 342 private rooms for rent with a total of 792 beds. But with the elimination of credits for tourism, the number of such facilities dropped to only 92 beds in 1973 in Sarajevo. A special disincentive has also been the increased tax rate and price policy. [Excerpt] [Sarajevo OSLOBODJENJE in Serbo-Croatian 30 Jan 81 p 6]

BELGRADE-BAR RAILROAD--By the end of May this year work will be completed on repairing the Titograd-Zeta line, i.e., the final section of the Titograd-Bar rail line, ensuring not only safer travel but also larger freight loads. As is known, the Titograd-Bar line, as part of the Belgrade-Bar rail line, was built much earlier and its elements have not been in accord with the needs of modern rail transportation. At present it takes trains about 2 hours to go from Titograd to Bar, but after May they can travel up to 100 kilometers an hour, covering the distance in only 35 minutes. [Excerpts] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 29 Jan 81 p 8]

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